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COMMISSION
CLERK

October 1, 2010

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

CLAIM OF CONFIDENTIALITY
 NOTICE OF INTENT
 REQUEST FOR CONFIDENTIALITY
 FILED BY OPC

FOR DN: 08274-10, WHICH
IS IN LOCKED STORAGE. YOU MUST BE
AUTHORIZED TO VIEW THIS DN. - CLK

Re: Docket No. 100001-EI

Dear Ms. Cole:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power and Light Company's Request for Confidential Classification of certain information contained in Staff's Sixth Set of Interrogatories (Nos. 53, 57, and 61). The original includes Exhibits A through D. The copies include Exhibits C and D only.

Exhibit A contains the confidential information that is the subject of FPL's Request for Confidential Classification. Exhibit A is submitted for filing separately and marked "EXHIBIT A- CONFIDENTIAL". Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C contains FPL's justification table for its Request for Confidential Classification. Exhibit D contains the affidavit of Gerard Yupp in support of FPL's Request for Confidential Classification. In accordance with Rule 25.22.006(3)(d), FPL requests confidential treatment of information in EXHIBIT A pending disposition of FPL's Request for Confidential Classification.

Also included herewith is a computer CD containing FPL's Request for Confidential Classification and Exhibit C. The operating system is Windows XP, and the processing software is MS Word.

Please contact me if you have any questions regarding this filing.

Sincerely,

Scott A. Goorland

- COM
- APA
- ECR 3+1
- GCL
- RAD
- SSC
- ADM
- OPC
- CLK

CD containing request also fwd.

Enclosures
pena cc: parties of record, w/o exhibits

DOCUMENT NUMBER-DATE
08273 OCT-1 09
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause with Generating)
Performance Incentive Factor)

Docket No: 100001-EI

Filed: October 1, 2010

**REQUEST FOR CONFIDENTIAL CLASSIFICATION OF INFORMATION PROVIDED
IN RESPONSE TO STAFF'S SIXTH SET OF INTERROGATORIES**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided in response to Staff's Sixth Set of Interrogatories Nos. 53, 57 and 61 ("Confidential Discovery Responses") which was served by Staff on September 10, 2010. In support of its Request, FPL states as follows:

1. FPL served its responses to Staff's Sixth Set of Interrogatories on September 30, 2010, for overnight delivery to Staff on October 1, 2010. This request is being filed contemporaneously with the service of the responses to Staff, in order to request confidential classification of the Confidential Discovery Responses consistent with Rule 25-22.006, Florida Administrative Code.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A consists of a copy of the Confidential Discovery Responses on which all information that FPL asserts is entitled to confidential treatment has been highlighted.

b. Exhibit B consists of an edited version of Exhibit A on which all information that FPL asserts is entitled to confidential treatment has been redacted.

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c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A, together with references to the specific statutory bases for the claim of confidentiality and to the affidavit in support of the requested classification.

d. Exhibit D is the affidavit of Gerard J. Yupp, Senior Director of Wholesale Operations, in FPL's Energy, Marketing and Trading Division.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determined that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the hard of disclosure against the public interest in access to the information.

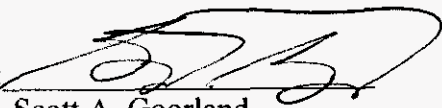
4. As the affidavit included in Exhibit D indicates, the information provided by FPL contains information concerning bids or other contractual data about FPL's hedging trades with various counterparties, the disclosure of which would impair FPL's ability to contract for goods or services on favorable terms within the meaning of Section 366.093(3)(d). Additionally the data provided includes specific information about FPL's procedures and activities related to managing credit risk exposure to financial counterparties, this information relates to competitive interests, the disclosure of which would impair the competitive business of FPL's counterparties. Such information is protected by Section 366.093(3)(e).

5. Upon a finding by the Commission that the information provided in Exhibit A, and referenced in Exhibits B, C, and D is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See S.366.093(4), F.S.*

WHEREFORE, FPL respectfully requests confidential classification of the Confidential Discovery Responses as described herein.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Managing Attorney
Scott A. Goorland, Esq.
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5633
Facsimile: (561) 691-7135

BY:


Scott A. Goorland
Fla. Bar No. 0066834

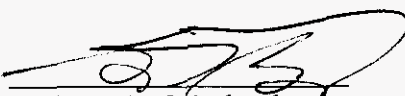
CERTIFICATE OF SERVICE

Docket No. 100001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery(*) or United States mail on October 1, 2010 to the following:

<p>Lisa Bennett, Esq.* Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 LBENNETT@PSC.STATE.FL.US</p>	<p>J. R. Kelly, Esq. Patricia Christensen, Esq. Charles Beck, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399 Kelly.jr@leg.state.fl.us Christensen.patty@leg.state.fl.us beck.charles@leg.state.fl.us</p>
<p>James D. Beasley, Esq J. Jeffrey Wahlen, Esq. Ausley & McMullen Attorneys for Tampa Electric P.O. Box 391 Tallahassee, Florida 32302 jbeasley@ausley.com jwahlen@ausley.com</p>	<p>John T. Burnett, Esq. Progress Energy Service Company, LLC P.O. Box 14042 St. Petersburg, Florida 33733-4042 john.burnett@pgnmail.com</p>
<p>John W. McWhirter, Jr., Esq McWhirter & Davidson, P.A. Attorneys for FIPUG P.O. Box 3350 Tampa, Florida 33602 jmcwhirter@mac-law.com</p>	<p>Beth Keating, Esq. Akerman, Senterfitt Attorneys for FPUC 106 East College Avenue Suite 1200 Tallahassee, Florida 32301 Beth.keating@akerman.com</p>
<p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Beggs & Lane Attorneys for Gulf Power P.O. Box 12950 Pensacola, Florida 32576-2950 jas@beggslane.com rab@beggslane.com</p>	<p>James W. Brew, Esq Attorney for White Springs Brickfield, Burchette, Ritts & Stone, The P.C 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 2007-5201 jbrew@bbrslaw.com</p>

<p>Robert Scheffel Wright, Esq Jay T. LaVia, III, Esq Young van Assenderp, P.A Attorneys for Florida Retail Federation 225 South Adams Street, Suite 200 Tallahassee, FL 32301 swright@yvlaw.net jlavia@yvlaw.net</p>	<p>Jon C. Moyle and Vicki Kaufman Keefe, Anchors Gordon & Moyle, P.A. 118 N. Gadsden St. Tallahassee, FL 32301 Co-Counsel for FIPUG vkaufman@kagmlaw.com jmoyle@kagmlaw.com</p>
<p>Cecilia Bradley Senior Assistant Attorney General Office of the Attorney General The Capitol - PL01 Tallahassee, FL 32399-1050 cecilia.bradley@myfloridalegal.com</p>	<p>Michael Barrett Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 MBARRETT@PSC.STATE.FL.US</p>
<p>Captain Shayla L. McNeill Attorney for the FEA AFLOA/JACL-ULFSC 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 Shayla.mcneill@tyndall.af.mil</p>	<p>Patricia K. Wiggins, Esq. Attorneys for AFFIRM P.O. Drawer 1657 Tallahassee, FL 32302 wigglaw@gmail.com</p>

BY: 
Scott A. Góorland
Fla. Bar No. 0066834

100001-EI

EXHIBIT "B"

REDACTED

EDITED VERSION

DOCUMENT NUMBER-DATE

08273 OCT-19

FPSC-COMMISSION CLERK

EXHIBIT B – REDACTED

Florida Power and Light Company
Docket No. 100001-EI
Staff's 6th Set of Interrogatories
Interrogatory No 53
Page 2 of 2

1 market price for the future period (the period being hedged) that is greater than 5
2 percent of the option price.

3
4 **A.**

5
6 a. A schedule of natural gas hedging transactions, incorporating the transaction date,
7 fixed price, transaction period, and NYMEX price is included as Attachment I to this
8 response. The forward prices represent the Henry Hub Natural Gas financial swap prices
9 published by NYMEX.

10
11 b. A schedule of fuel oil hedging transactions, incorporating the transaction date, fixed
12 price, transaction period, and NYMEX price is included as Attachment II to this
13 response. The forward prices represent New York Harbor Residual Fuel Oil 1.0 % Sulfur
14 financial swap prices published by NYMEX.

15
16 c. FPL executed a total of [REDACTED] hedge transactions for the period from August 1, 2009
17 through July 31, 2010. Four of these transactions were executed at prices higher than
18 +5% of the end-of-day settlement price and two transactions were executed at prices
19 lower than -5% of the end-of-day settlement price. All six trades were for fuel oil. FPL
20 executes all hedging transactions at market prices. However, markets can and do
21 fluctuate considerably on an intra-day basis. FPL does not independently track all
22 NYMEX oil transactions throughout the day, but rather relies on NYMEX-published
23 information. While NYMEX does not publish intra-day high and low prices for fuel oil,
24 it does publish intra-day high and low prices for crude oil, which has a strong correlation
25 with fuel oil. Fuel oil prices are typically highly correlated to crude oil prices and track
26 changes in crude oil prices in real-time. Therefore, FPL believes these six fuel oil hedges
27 were, in fact, executed within the appropriate daily fuel oil price range, as fuel oil would
28 have exhibited the same volatility as crude oil prices. Attachment III, incorporated as
29 part of this response, includes both fuel oil and crude oil settlement prices for the six days
30 where hedging transactions were executed at intra-day prices that were outside of the +/-
31 5% range of the end-of-day settlement price. The table also includes intra-day high and
32 low prices for crude oil. A calculation showing the intra-day price change for crude oil,
33 as a percentage of the end-of-day settlement price, has been made to use as a comparison
34 to the "FIXED PRICE vs NYMEX PRICE calculated in response to part b.

35
36 d. FPL's Hedging/Risk Management plan did not include natural gas option transactions
37 for either 2009 or 2010.

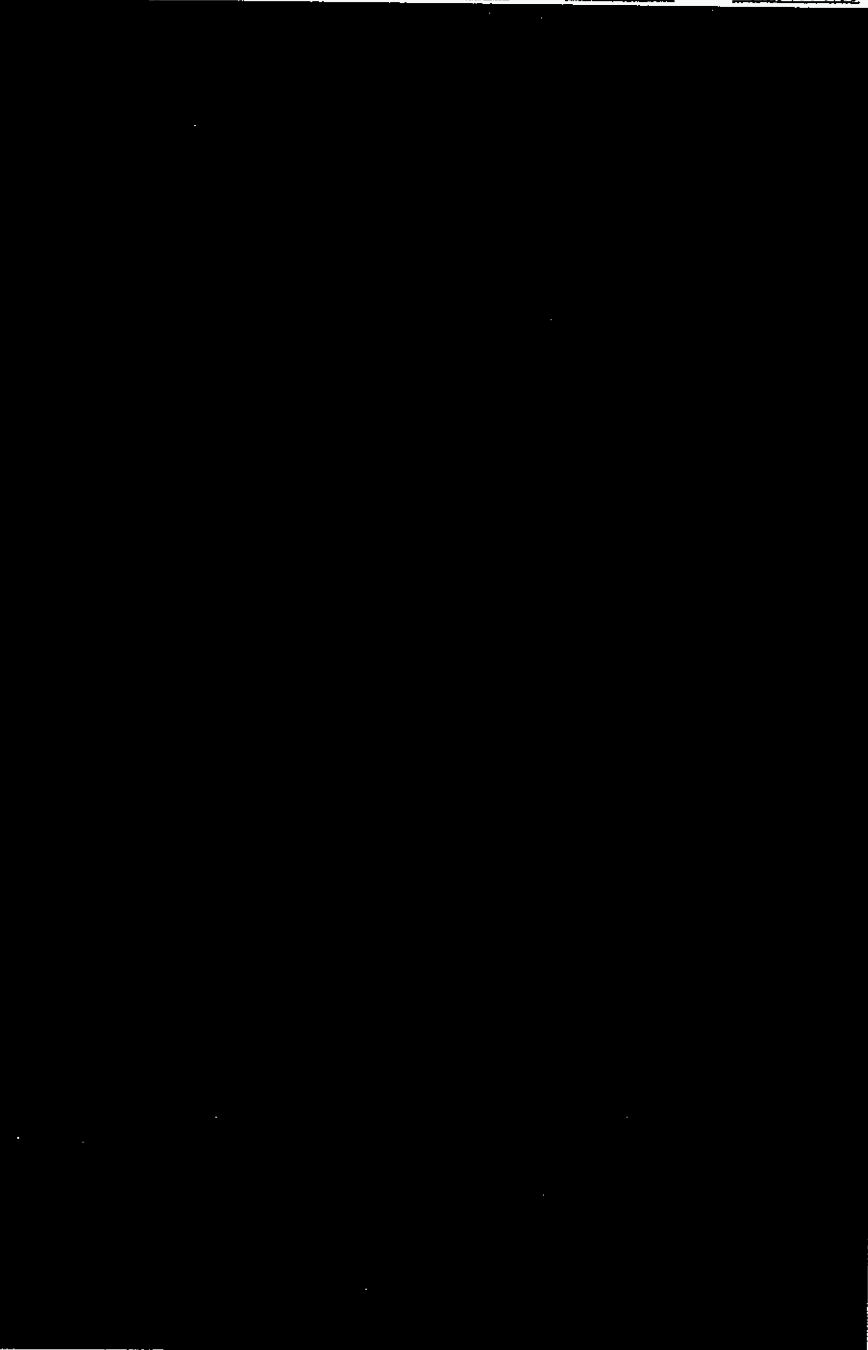
38
39 e. FPL's Hedging/Risk Management plan did not include fuel oil option transactions for
40 either 2009 or 2010.

41
42 f. FPL's Hedging/Risk Management plan did not include natural gas or fuel oil option
43 transactions for either 2009 or 2010.

CONFIDENTIAL

	A	B	C	D	E	F
1						
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
5						0.32%
6						1.48%
7						0.82%
8						0.49%
9						0.88%
10						0.29%
11						-0.97%
12						-0.43%
13						-0.02%
14						-0.28%
15						-0.73%
16						0.75%
17						-0.38%
18						1.01%
19						0.07%
20						2.42%
21						-0.04%
22						-1.02%
23						-0.05%
24						-0.06%
25						-0.69%
26						0.06%
27						0.23%
28						-0.16%
29						-0.03%
30						-0.72%
31						0.13%
32						-0.18%
33						0.02%
34						-0.22%
35						0.40%
36						0.70%
37						-0.31%
38						-0.63%
39						0.93%
40						-0.44%
41						-0.13%
42						2.83%
43						1.29%
44						0.10%
45						-1.15%
46						0.67%
47						-0.08%
48						-0.23%
49						-0.49%
50						-0.02%
51						-0.98%
52						-0.47%
53						0.04%

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
54						-3.07%
55						-0.39%
56						-0.40%
57						0.04%
58						1.62%
59						-0.11%
60						0.65%
61						-0.19%
62						-0.28%
63						0.09%
64						1.52%
65						0.14%
66						0.16%
67						0.92%
68						-0.74%
69						-1.61%
70						-0.25%
71						-0.15%
72						-0.53%
73						-2.19%
74						-2.94%
75						0.25%
76						0.83%
77						0.38%
78						0.67%
79						-0.34%
80						-0.26%
81						1.50%
82						-0.01%
83						-0.83%
84	-1.40%					
85	-0.14%					
86	0.02%					
87	-0.14%					
88	-0.27%					
89	-2.05%					
90	-0.42%					
91	0.29%					
92	-1.74%					
93	-1.39%					
94	-1.73%					
95	-2.02%					
96	0.36%					
97	0.54%					
98	0.19%					
99	0.13%					
100	0.10%					
101	-0.40%					
102	-0.89%					
103	-0.09%					


CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
104	[REDACTED]					0.03%
105						0.07%
106						-1.79%
107						-1.68%
108						-1.79%
109						-1.21%
110						-1.08%
111						-0.69%
112						-0.40%
113						1.65%
114						-0.16%
115						0.85%
116						-0.63%
117						0.02%
118						0.63%
119						0.39%
120						0.14%
121						0.01%
122						0.07%
123						-0.11%
124						0.63%
125						1.71%
126						0.22%
127						0.15%
128						-0.44%
129						-0.33%
130						0.78%
131						0.55%
132						0.57%
133						0.04%
134	0.06%					
135	-0.39%					
136	0.79%					
137	0.73%					
138	2.67%					
139	-1.48%					
140	0.36%					
141	1.06%					
142	1.12%					
143	0.11%					
144	0.25%					
145	0.55%					
146	1.20%					
147	-1.32%					
148	3.20%					
149	1.17%					
150	0.31%					
151	-2.56%					
152	-2.89%					
153	-0.45%					

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
154						0.40%
155						0.12%
156						1.09%
157						1.67%
158						1.00%
159						0.49%
160						-0.44%
161						0.56%
162						0.26%
163						-1.63%
164						-0.86%
165						-0.10%
166						-0.12%
167						-1.36%
168						0.35%
169						-0.08%
170						0.20%
171						-1.47%
172						0.97%
173						-0.14%
174						0.32%
175						-0.46%
176						0.63%
177						-0.31%
178						-0.62%
179						-0.53%
180						-0.54%
181						-0.41%
182						0.35%
183						0.22%
184						-1.18%
185						1.15%
186						0.38%
187						0.37%
188						-0.24%
189						0.70%
190						0.11%
191						0.79%
192						-0.61%
193						-0.19%
194						0.13%
195						-0.93%
196						-0.03%
197						-0.83%
198						0.35%
199						0.26%
200						-0.29%
201						-0.67%
202						0.51%
203						-1.03%

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
204						-0.31%
205						-1.25%
206						-0.97%
207						-0.74%
208						0.40%
209						-0.11%
210						-0.59%
211						-0.30%
212						0.77%
213						0.00%
214						-0.23%
215						-0.45%
216						-0.24%
217						0.01%
218						-0.98%
219						0.34%
220						-0.46%
221						0.91%
222						-0.55%
223						0.64%
224						-0.29%
225						0.58%
226						-0.37%
227						-0.74%
228						-0.38%
229	2.10%					
230	-0.21%					
231	1.67%					
232	0.04%					
233	-0.68%					
234	-0.14%					
235	-0.40%					
236	0.14%					
237	-1.58%					
238	-0.36%					
239	0.66%					
240	-0.06%					
241	0.32%					
242	-0.47%					
243	-1.28%					
244	0.17%					
245	0.32%					
246	0.62%					
247	0.21%					
248	0.55%					
249	0.37%					
250	0.19%					
251	0.61%					
252	1.21%					
253	-0.22%					

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
254						-0.93%
255						-0.50%
256						0.00%
257						1.60%
258						-0.43%
259						-0.75%
260						0.57%
261						-0.65%
262						-0.24%
263						2.75%
264						1.17%
265						0.89%
266						0.11%
267						-0.05%
268						0.43%
269						0.43%
270						-0.09%
271						-0.13%
272						0.23%
273						0.45%
274						0.32%
275						1.02%
276						0.13%
277						-0.05%
278						-0.86%
279						-0.16%
280						-0.82%
281						-0.91%
282						-1.61%
283						-0.20%
284	1.73%					
285	0.80%					
286	0.56%					
287	2.17%					
288	1.20%					
289	-0.47%					
290	-0.75%					
291	0.02%					
292	0.04%					
293	1.94%					
294	1.20%					
295	0.15%					
296	-0.57%					
297	0.09%					
298	1.36%					
299	1.99%					
300	-2.88%					
301	0.85%					
302	0.23%					
303	1.29%					

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
304						-1.82%
305						-0.52%
306						-2.90%
307						-1.50%
308						-0.37%
309						1.83%
310						-0.53%
311						0.08%
312						1.24%
313						-0.42%
314						-2.15%
315						0.20%
316						-0.23%
317						-1.35%
318						-0.39%
319						1.08%
320						1.39%
321						1.49%
322						0.01%
323						0.26%
324						2.07%
325						0.60%
326						0.05%
327						0.10%
328						0.70%
329						0.61%
330						-0.06%
331						-0.14%
332						0.07%
333						-1.39%
334						-0.64%
335						-2.01%
336						-0.17%
337						-1.94%
338						-0.09%
339	0.23%					
340	-0.42%					
341	1.30%					
342	1.51%					
343	1.38%					
344	0.18%					
345	-0.06%					
346	2.11%					
347	1.58%					
348	-0.08%					
349	0.83%					
350	1.74%					
351	-0.17%					
352	1.22%					
353	-0.83%					

CONFIDENTIAL

	A	B	C	D	E	F
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - NATURAL GAS TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
354						-0.22%
355						0.94%
356						1.26%

	A	B	C	D	E	F
1	CONFIDENTIAL					
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - HEAVY FUEL OIL TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
5						-0.30%
6						0.97%
7						0.34%
8						-0.28%
9						0.07%
10						1.26%
11						0.02%
12						0.26%
13						0.43%
14						0.33%
15						0.82%
16						-2.69%
17						-0.44%
18						1.68%
19						0.05%
20						-0.12%
21						-0.42%
22						-0.33%
23						-0.54%
24						-0.92%
25						-2.02%
26						1.36%
27						-0.08%
28						1.64%
29						6.16%
30						6.77%
31						1.39%
32						1.26%
33						3.83%
34						1.75%
35						-5.78%
36						-5.35%
37						-0.56%
38						3.80%
39						3.03%
40						5.48%
41						3.24%
42						5.71%
43						-1.49%
44						2.05%
45						0.31%
46						-0.91%
47						-0.32%
48						3.56%
49						1.50%
50						1.03%
51						3.06%
52						1.54%
53						0.73%

	A	B	C	D	E	F
1	CONFIDENTIAL					
2	AUGUST 1, 2009 - JULY 31, 2010 HEDGING PROGRAM - HEAVY FUEL OIL TRANSACTIONS					
3						
4	<u>Trade Date</u>	<u>Deal Start Date</u>	<u>Deal End Date</u>	<u>Fixed Price</u>	<u>NYMEX Price</u>	<u>Fixed Price vs NYMEX Price</u>
54						-0.31%
55						0.11%
56						-2.56%
57						-2.59%
58						0.75%
59						-0.34%
60						2.60%
61						0.24%
62						0.66%
63						-1.87%
64						1.01%
65						0.30%
66						-2.24%
67						0.72%
68						1.77%
69						-1.84%
70						3.60%
71						3.37%

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Florida Power and Light Company
 Docket No. 100001 -EI
 Staff's 6th Set of Interrogatories
 Interrogatory No. 53
 Attachment No. III
 Page 1 of 1

	A	B	C	D	E	F	G	H	I	J
1	CONFIDENTIAL									
2		NYH 1% Fuel Oil Pricing				Crude Oil Pricing				
3										
4		Trade Date	Hedge Term	Hedge Price \$/Bbl	Daily Settle Price \$/Bbl	Deviation from Settlement	Daily Settle High Price \$/Bbl	Daily Settle Low Price \$/Bbl	Daily Settle Close Price \$/Bbl	Daily Settle High - Low as % of Close
5										
6										
7						6.15%				10.35%
8						6.77%				8.29%
9						-5.78%				8.08%
10						-5.35%				8.08%
11						5.48%				7.30%
12						5.71%				15.67%

1 Q.

2 Regarding hedging activities, please explain or describe how FPL assesses and
3 evaluates counter-party credit risk?
4

5 A.

6 An initial, formal credit review is performed prior to entering into a new counterparty
7 relationship. Based on the credit analysis, a credit rating is assigned using a scale
8 identical to that used by Standard & Poor's. Follow-up credit reviews are performed on
9 an annual basis for counterparties with ratings of "[REDACTED]" and below and for
10 counterparties that are not externally rated. At least every other year, a credit review will
11 be performed for those counterparties with ratings of "[REDACTED]" and above. Credit risk
12 is assessed in accordance with an established risk policy approved by senior
13 management. All counterparties are subject to the same review procedures.
14

15 In addition to formal periodic credit reviews, credit personnel monitor the credit quality
16 of counterparties on a continuous basis. [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

20 [REDACTED] For cases of increased credit concern, a summary of the credit exposure
21 to a counterparty is reported to management on a daily basis; and alternatives to manage
22 the exposure down to a more acceptable level, where necessary, are actively explored.
23

24 A credit review is both dynamic, incorporating quantitative and qualitative
25 considerations, and subjective, based on specific situations and the judgment of credit
26 professionals. Credit personnel perform the following steps during a credit review:

27 1) Gain an understanding of the counterparty's business, including the company type,
28 legal structure, ownership, market and industry in order to form an opinion about the risk
29 associated with the counterparty's business profile.

30 2) Review external credit rating analyses provided by Moody's and Standard & Poor's.

31 3) Perform a quantitative review of the latest financial information, using a credit scoring
32 model which determines an internal credit score and assists in establishing a credit limit.

33 The scoring model is used to quantitatively assess a counterparty or credit support
34 provider's credit worthiness. The scoring model uses financial statement data and
35 generates a credit score based on liquidity, leverage, performance ratios, and tangible net
36 worth. The score can be adjusted (up or down) based on any additional information that
37 would affect credit worthiness. The total score is then used to determine a maximum
38 credit amount, limited by the maximum credit allowed per the FPL Credit Matrix.
39

40 Credit management will approve the credit request after an acceptable review has been
41 completed. Approval authority for setting credit limits is determined based on a preset
42 delegated approval authority matrix, which takes into consideration the credit rating of
43 the counterparty and the proposed limit size. Approval from the Exposure Management

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1 Q.
2 Since January 1, 2009, has FPL stopped engaging in hedging transactions with a
3 particular counter-party due to credit risk concerns? If so, please identify the
4 counter-party and explain.

5
6 A.

7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

State of Florida



Public Service Commission
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Scott Goorland
700 Universe Blvd
Juno Beach FL 33408

Re: Acknowledgement of Confidential Filing in Docket No. 100001E1

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on October 1, 2010, in the above-referenced docket.

Document Number 08274-10 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.