

**Diamond Williams**

100410-EI

**From:** Butler, John [John.Butler@fpl.com]  
**Sent:** Wednesday, February 16, 2011 4:01 PM  
**To:** Filings@psc.state.fl.us  
**Subject:** Electronic Filing / Dkt 100410-EI / FPL's Response in Opposition to Larson Petition to Intervene, etc  
**Attachments:** 2.16.11 FPL Response to Larson Petition to Intervene.pdf; 2.16.11 FPL Response to Larson petition.doc

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 100410 - EI  
 In RE: Review of Florida Power & Light Company's earnings

c. The Document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 18 pages (9 page Response, 9 page attachment)

e. The document attached for electronic filing is Florida Power & Light Company's Response in Opposition to Petition of Daniel and Alexandria Larson to Intervene, Motion for Reconsideration, Notice of Protest, and Request for Formal Hearing

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DOCUMENT NUMBER-DATE

01077 FEB 16 =

FPSC-COMMISSION CLERK

2/16/2011

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Review of Florida Power & )  
Light Company's earnings )

Docket No. 100410-EI  
Filed: February 16, 2011

**FLORIDA POWER & LIGHT COMPANY'S RESPONSE IN OPPOSITION TO  
PETITION OF DANIEL AND ALEXANDRIA LARSON TO INTERVENE,  
MOTION FOR RECONSIDERATION, NOTICE OF PROTEST,  
AND REQUEST FOR FORMAL HEARING**

Pursuant to Rules 25-22.039, 25-22.060 and 28-106.204, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL") hereby responds in opposition to the petition to intervene, motion for reconsideration, notice of protest, and request for formal hearing that was filed in this docket by Daniel and Alexandria Larson on February 9, 2011 (the "Larson Petition"). The grounds for this response are as follows:

**Petition to Intervene**

1. The Larsons should not be permitted to intervene, because they have failed to allege any substantial interest of sufficient immediacy to satisfy the standing test enunciated in *Ameristeel Corp. v. Clark*, 691 So.2d 473 (Fla. 1997). In *Ameristeel*, the Supreme Court of Florida cautioned that the injury-in-fact prong of the standing test established in *Agrico Chemical Co. v. Department of Environmental Regulation*, 406 So.2d 478 (Fla. 2<sup>nd</sup> DCA 1981) could not be met by mere speculation on the possible occurrence of injurious events. Here, the Larsons are speculating that -- in spite of the mechanism in Paragraph 7 of the Stipulation and Settlement Agreement approved by the Commission in Docket No. 080677-EI for FPL to maintain its return on equity ("ROE") within the authorized range of 9% to 11%, FPL's express

commitment to the Commission that it *intends* to use Paragraph 7 to achieve that end,<sup>1</sup> and FPL's forecasted earnings surveillance report for 2010 (Attachment 1 hereto) showing that FPL is maintaining its ROE within that range -- FPL will fail to do so.

2. The Larsons further speculate that, if FPL indeed failed to maintain its ROE within the authorized range, the Commission could use an earnings review to require a retroactive refund over FPL's objection. The Commission has never before required a retroactive refund of earnings over the objection of the utility, as was contemplated in the Staff recommendation for this docket. FPL has previously expressed its belief that the Commission lacks authority to order retroactive refunds of base revenues. Whether on an interim or permanent basis and whether based on an historic or projected test period, rates are set prospectively, because the Commission is prohibited from engaging in retroactive ratemaking. *See, e.g., Southern Bell Telephone and Telegraph Co. v. Public Service Commission*, 453 So.2d 780 (Fla. 1984); *Citizens v. Public Service Commission*, 448 So.2d 1024 (Fla. 1984); *City of Miami v. Public Service Commission*, 208 So.2d 249 (Fla. 1968). *See* Letter from John Butler to Marshall Willis, dated September 29, 2010, Document No. 08211-10 in this docket. And, in any event, the Commission has never even attempted to overlay an earnings review over the top of an existing, approved settlement agreement, as it would be doing here. *See* January 11, 2011 agenda conference transcript, pages 46-47. Thus, the Larsons' standing argument is doubly speculative, taking it further afield of the immediacy requirement enunciated in *Ameristeel*.

3. The reality is that nothing the Commission has done affects the substantial interests of the Larsons. The Commission voted to not investigate FPL's earnings and/or require FPL to hold specified earnings and therefore ordered that the relevant docket opened by the

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<sup>1</sup> *See* January 11, 2011 agenda conference transcript at page 23 (FPL's counsel assured the Commission that "it is fully FPL's intent to use the settlement agreement, Paragraph 7, to stay within the 9 to 11 percent range.")

Commission Staff be closed.<sup>2</sup> The Larsons have cited no legal authority for the proposition that a putative party has a substantial interest in a Commission decision to close a docket.

4. FPL also notes that, while the Commission has traditionally allowed individual customers to intervene in proceedings affecting rates, the Larsons' intervention here would be unnecessary and unwarranted. The Stipulation and Settlement discussed above was entered into by all of the major parties to FPL's 2009 rate case, including the Office of Public Counsel ("OPC") and the Office of the Attorney General. Both of those entities actively and aggressively represent the interests of individual customers such as the Larsons. In this docket, OPC specifically urged the Commission not to initiate an earnings review because of its concern over the impact that doing so might have on a settlement that locks in what OPC characterized as a "very pro-consumer decision." *Id.* at 48. FPL fails to see what allowing the Larsons to intervene as individual customers would contribute.

5. In reality, the Larsons are not seeking to protect their own, legitimate interests in Commission action. Rather, they seek to assume the Commission's (and perhaps Public Counsel's) authority and responsibilities – to stand as surrogates for those public institutions and conduct the institutions' business as they feel it should be conducted. Nothing in the law of standing permits intervention for such a purpose.

6. Finally, the Larson Petition is untimely. Even if the Larsons were allowed to intervene, they would necessarily "take the case as they find it." *See* Rule 25-22.039, F.A.C. How they find this case is that a final order has already been issued. None of what they seek via intervention would be timely or appropriate.

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<sup>2</sup> *See* Florida Public Service Commission Vote Sheet, Docket No. 100410-EI, dated January 11, 2011; Order No. PSC-11-0103-FOF-EI, issued February 7, 2011, in Docket No. 100410-EI, In re: Review of Florida Power & Light Company's Earnings; Request to Establish Docket, issued September 30, 2010, in Docket No. 100410-EI, In re: Review of Florida Power & Light Company's Earnings.

### Motion for Reconsideration

7. The Larsons likewise fail to satisfy the standard for reconsideration. The standard of review for a motion for reconsideration, often cited by the Commission, is:

Whether the motion identifies a point of fact or law which was overlooked or which the Commission failed to consider in rendering its order. See, Stewart Bonded Warehouse, Inc. v. Bevis, 294 So. 2d 315 (Fla. 1974); Diamond Cab Co. v. King, 146 So. 2d 889 (Fla. 1962); and Pingree v. Quaintance, 394 So. 2d 161 (Fla. 1st DCA 1981). In a motion for reconsideration, it is not appropriate to reargue matters that have already been considered. Sherwood v. State, 111 So. 2d 96 (Fla. 3d DCA 1959), citing State ex. rel. Jaytex Realty Co. v. Green, 105 So. 2d 817(Fla. 1st DCA 1958).<sup>3</sup>

In *Diamond Cab*, the Court stated:

The purpose of a petition for rehearing is merely to bring to the attention of the trial court, or in this instance, the administrative agency, some point which it overlooked or failed to consider when it rendered its order in the first instance . . . . It is not intended as a procedure for re-arguing the whole case merely because the losing party disagrees with the judgment or order . . . .

*Id.* at 891. The Larsons have pointed to nothing that the Commission overlooked or failed to consider when it decided in Order No. PSC-11-0103-FOF-EI (“Order 11-0103”) not to initiate an earnings review. They simply disagree with that decision, which is certainly not a valid basis for reconsideration.

8. Moreover, reconsideration is available only to parties to a proceeding. *See* Rule 25-22.060(1), F.A.C. The Larsons are not now parties, and they were not parties at the time that

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<sup>3</sup> Order No. PSC-07-0783-FOF-EI, issued September 26, 2007, in Docket No. 050958-EI, In re: Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause by Tampa Electric Company; Order No. PSC-07-0561-FOF-SU; issued July 5, 2007, in Docket No. 060285-SU, In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven; Order No. PSC-06-1028-FOF-EU, issued December 11, 2006, in Docket No. 060635-EU, In re: Petition for determination of need for electrical power plant in Taylor County By Florida Municipal Power Agency, JEA, Reedy Creek Improvement District, and City of Tallahassee.

the Commission made its decision. Allowing them at this late date to seek reconsideration of matters decided before they even sought to intervene would be inconsistent with that limitation and with the admonition in Rule 25-22.039 that intervenors take proceedings as they find them.

9. Reconsideration is also limited, by its nature, to reviewing or re-thinking information that the Commission has already considered. The Commission has consistently denied reconsideration of new arguments based on new information not raised prior to a final agency action in a docket. *See, e.g.*, Order No. PSC-97-1544-FOF-WS, issued December 9, 1997, in Docket No. 960329-WS, In Re: Investigation of Rates of Gulf Utility Company in Lee County for Possible Overearnings (affidavit and other information not in record of case found to be outside proper scope of reconsideration).

10. In any event, for the reasons discussed above, the Commission's decision in Order 11-0103 not to initiate an earnings review is well reasoned, and there is no legitimate basis for reconsidering it. Order 11-0103 is premised upon FPL's ability and duty under the approved Stipulation and Settlement Agreement to maintain its ROE within the range authorized by the Commission. An earnings review could only be relevant if FPL exceeded that authorized ROE. By operation of the Stipulation and Settlement Agreement, FPL has the ability and responsibility to see that it does not exceed the authorized ROE. Thus, both the need and justification for an earnings review are missing. There is no precedent for the Commission to overlay an earnings review on top of an approved settlement agreement. *See* January 11, 2011 agenda conference transcript, pages 46-47. Under these circumstances, it would be *initiating* an earnings review that legitimately would be grounds for reconsideration, not a decision against doing so.

### **Notice of Protest and Request for Formal Hearing**

11. The Larson Petition purports to give notice of “protesting” Order 11-0103. A notice of protest is simply irrelevant here, as it is a procedure used to seek a hearing on *proposed* agency action. The Commission took *final* agency action in Order 11-0103. There is no procedure or occasion to “protest” final agency action.

12. The Larsons argue that the Commission *should* have issued Order 11-0103 as proposed agency action, in order to provide them with a point of entry into an administrative proceeding that affects their substantial interests. The premise to that argument is flawed, however, as the Commission’s discretionary decision not to initiate an earnings review is not an administrative proceeding for which a formal hearing would be necessary or appropriate. The Commission simply decided against initiating an earnings review. That decision does not affect the rights or remedies available to the Larsons or any other customer under Chapter 366. The Larsons had sufficient opportunity to appear at the Commission’s January 11, 2011, Agenda Conference and present arguments in opposition to the closing of the docket and, therefore, their due process rights were not violated.<sup>4</sup> The Larsons are in no different position than they would have been if the Commission had never opened this docket.<sup>5</sup> In short, the Commission’s

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<sup>4</sup> See, e.g., *South Florida Hospital and Healthcare Association v. Jaber*, 887 So.2d 1210 (Fla. 2004) (finding no due process violation where party had ample opportunity to make arguments in opposition prior to Commission approval of rate case settlement agreement and closing of docket to end rate review).

<sup>5</sup> If the Larsons believe that FPL’s rates should be adjusted, they are entitled to petition the Commission for a rate adjustment, including interim rates. And, of course, FPL would be entitled to oppose that petition if the circumstances did not (as they presently do not) warrant any rate adjustment.

discretionary decision not to initiate an earnings review does not affect the Larsons' substantial interests.<sup>6</sup>

13. The Larsons make much of the Commission's change in its published agenda for the January 11, 2011 agenda conference, where the Commission's decision on initiating an earnings review was originally listed as proposed agency action and then changed to a regular (final agency action) agenda item three business days before the agenda conference. In fact, however, the Larsons' argument is a red herring. For the reasons just discussed, the Commission has no obligation to initiate earnings reviews, and there are accordingly no rights for parties or potential parties to participate in a Commission decision not to initiate one. The timing of the Commission's announcement on how it intends to proceed on a discretionary matter such as this cannot create a right to a hearing where one does not otherwise exist.

14. Finally, a formal administrative hearing would serve no purpose here. The Larson Petition identifies three "disputed issues of material fact" in Paragraph 12 as to which they seek a hearing. In fact, however, none of the three entails an issue of fact to be resolved by hearing. Paragraphs 12(a) and (c) simply restate the Larsons' disagreement with the Commission's decision not to initiate an earnings review. Paragraph 12(b) asks whether FPL should be "allowed" to make a weather-related normalization adjustment to reduce its earnings and corresponding ROE on its earnings surveillance report. This is not a factual dispute and, in any event, evidences a misunderstanding of the earnings surveillance reports. As illustrated by the 2010 forecasted earnings surveillance report (Attachment 1), FPL routinely reports its earnings and ROE on earnings surveillance reports both with *and* without weather normalization. Paragraph 12(b) thus presents no issue to be disputed or resolved.

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<sup>6</sup> See, e.g., *U.S. Sprint Communications Co. v. Nichols*, 534 So.2d 698 (Fla. 1988)(no requirement to hold a hearing where action taken did not represent a change from the status quo).

WHEREFORE, for the reasons set forth above, FPL respectfully requests that the Larson  
Petition be denied in all respects.

Respectfully submitted,

R. Wade Litchfield, Vice President  
and General Counsel  
John T. Butler, Managing Attorney  
Attorneys for Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
Telephone: (561) 691-7101  
Facsimile: (561) 691-7135

By: /s/ John T. Butler  
John T. Butler  
Florida Bar No. 283479

**CERTIFICATE OF SERVICE**  
**Dockets 100410-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished electronically this 16<sup>th</sup> day of February, 2011, to the following:

Jennifer Crawford, Esquire  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-1400  
[jcrawford@PSC.STATE.FL.US](mailto:jcrawford@PSC.STATE.FL.US)

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Mr. and Mrs. Daniel R. Larson\*  
16933 W. Narlena Dr.  
Loxahatchee, FL 33470  
[danlarson@bellsouth.net](mailto:danlarson@bellsouth.net)

\*Not a Party

By: /s/John T. Butler  
John T. Butler  
Florida Bar No. 283479

# ATTACHMENT 1

DOCUMENT NUMBER-DATE

01077 FEB 16 =

FPSC-COMMISSION CLERK

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Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408

December 17, 2010

- VIA HAND DELIVERY -

Mr. Marshall Willis, Director  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Fl 32399-0850

RECEIVED  
10 DEC 17 PM 3:56  
COMMUNICATIONS SECTION

**RE: Docket No. 080677-EI**

Dear Mr. Willis:

On September 13, 2010, the Commission approved FPL's request for an extension to file the 2010 Forecasted Earnings Surveillance Report (the "2010 FESR") no later than 30 days after the Commission's vote in Docket No. 080677-EI either to approve the Stipulation and Settlement or, if not approved, to decide on the Reconsideration Motions. The Commission approved the Stipulation and Settlement at its December 14, 2010 agenda conference. The deadline for FPL to file the 2010 FESR is thus January 13, 2011.

On October 18, 2010, FPL filed a provisional 2010 FESR, which reflected the assumption that the Stipulation and Settlement would be approved. The contingency that caused FPL to designate the 2010 FESR as provisional (i.e., approval of the Stipulation and Settlement) has now occurred, and FPL is aware of no changes to the provisional 2010 FESR that would be needed in order for it to be representative of forecasted 2010 results. Therefore, FPL hereby advises the Commission that the provisional 2010 FESR is final, such that it satisfies the Commission's requirement for FPL to file a 2010 FESR. For convenient reference, a copy of the previously filed 2010 FESR is attached hereto.

Sincerely,

Robert E. Barrett  
Vice President, Finance

Cc: J.R. Kelly, Office of Public Counsel  
Cheryl Bulecza-Banks  
Andrew Maurey  
John Slemkewicz

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DOCUMENT NUMBER-DATE  
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FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 (\$000'S)

SCHEDULE 1  
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
 Year: 2010

	(1)	(2)	(3)	(4)	(5)
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>	<u>PER BOOKS</u>	<u>FPSC ADJUSTMENTS</u>	<u>FPSC ADJUSTED</u>	<u>PROFORMA ADJUSTMENTS</u>	<u>PROFORMA ADJUSTED</u>
NET OPERATING INCOME	\$1,271,757	(\$109,767)	\$1,161,990	(\$102,877)	\$1,059,114
AVERAGE RATE BASE	\$17,473,816	(\$718,560)	\$16,755,256	\$0	\$16,755,256
AVERAGE RATE OF RETURN	7.28%		6.94%		6.32%

II. AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	8.00%
MIDPOINT	6.47%
HIGH	6.94%

III. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	5.12	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	4.98	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	4.56%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	86.66%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	36.75%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	3.74%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY	11.00%	(FPSC ADJUSTED BASIS)
H. PROFORMA RETURN ON COMMON EQUITY	9.69%	(FPSC PROFORMA BASIS)

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
RATE BASE (\$000's)

SCHEDULE 2  
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries  
Year: 2010

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$28,062,263	(\$12,897,044)	\$15,391,219	\$90,251	\$2,220,955	\$367,832	\$19,078,307	(\$1,202,085)	\$17,876,222
JURISDICTIONAL PER BOOKS	\$28,447,536	(\$12,421,189)	\$16,026,347	\$92,243	\$2,179,134	\$364,020	\$18,661,744	(\$1,187,928)	\$17,473,816
<b>FPSC ADJUSTMENTS:</b>									
FUEL TRANSPORTATION EQUIPMENT	(\$46,715)	\$48,690	(\$25)				(\$25)		(\$25)
CONSERVATION PLANT	(\$4,331)	16,601	(18,330)				(18,330)		(18,330)
ENVIRONMENTAL PLANT	(\$49,157)	49,962	(\$99,205)		(488,946)		(1,088,163)		(1,088,163)
NUCLEAR RECOVERY PLANT	(2,289)	3	(2,296)		(437,262)		(439,547)		(439,547)
ASSET RETIREMENT OBLIGATIONS - PLANT	(117,723)	(2,401,720)	(2,519,443)				(2,519,443)		(2,519,443)
CONSTRUCTION WORK IN PROGRESS			0		(782,178)		(782,178)		(782,178)
AVIATION ADJUSTMENT	(44,496)	24,318	(20,179)				(20,179)		(20,179)
ACCUM PROVISION FOR DECOMMISSIONING		2,605,571	2,605,571				2,605,571		2,605,571
NUCLEAR FUEL LEASE			0			(82,856)	(86,856)		(6,896)
TEMPORARY CASH INVESTMENTS			0				0	(231,433)	(231,433)
ACCOUNTS RECEIVABLE / PAYABLE ASSOC. COS.			0				0	(3,365)	(3,365)
ACCUM PROV FOR PROPERTY INSURANCE			0				0	202,069	202,069
ASSET RETIREMENT OBLIGATIONS - WORKING CAPITAL			0				0	2,519,443	2,519,443
NET UNDER RECOVERED FUEL CAPACITY, ECCR, ECRC			0				0	(257,801)	(257,801)
STORM DEFICIENCY RECOVERY			0				0	(848,286)	(848,286)
NUCLEAR COST RECOVERY			0				0	202,030	202,030
SIJPP ACCELERATED RECOVERY			0				0	52,240	52,240
RATE CASE EXPENSE			0				0	(2,578)	(2,578)
OTHER MISCELLANEOUS WORKING CAPITAL			0				0	(1,618)	(1,618)
TOTAL FPSC ADJUSTMENTS	(\$887,319)	\$343,416	(\$553,897)	\$0	(\$1,706,387)	(\$86,856)	(\$2,349,141)	\$1,630,681	(\$718,560)
FPSC ADJUSTED	\$27,560,223	(\$12,077,773)	\$15,472,450	\$92,243	\$470,747	\$277,163	\$16,312,603	\$442,653	\$16,755,256
PROFORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0
PROFORMA ADJUSTED	\$27,560,223	(\$12,077,773)	\$15,472,450	\$92,243	\$470,747	\$277,163	\$16,312,603	\$442,653	\$16,755,256

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
INCOME STATEMENT (\$000's)

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries  
Year: 2010

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	\$10,489,205	\$4,958,899	\$1,536,464	\$898,764	\$1,014,706	\$584,180	(\$1,797)	\$9,182,216	\$1,286,989
JURISDICTIONAL PER BOOKS	\$10,300,794	\$4,898,529	\$1,511,348	\$871,472	\$1,007,066	\$682,768	(\$2,140)	\$9,028,036	\$1,271,757
<b>FPSC ADJUSTMENTS:</b>									
CAPACITY COST RECOVERY	(\$618,844)	(\$503,298)	(\$45,878)	(\$45,942)	(\$494)	(\$7,815)		(\$908,498)	(\$12,445)
CONSERVATION COST RECOVERY	(101,288)		(32,354)	(7,038)	(78)	(702)		(100,170)	(1,117)
ENVIRONMENTAL COST RECOVERY	(148,474)		(38,785)	(15,072)	(111)	(41,194)	264	(82,879)	(65,686)
FUEL COST RECOVERY	(4,364,683)	(4,343,348)	(1,700)	0	(3,273)	(6,267)		(4,394,965)	(9,979)
STORM RECOVERY	(102,239)		(674)	(72,322)		(11,281)		(84,276)	(17,963)
NUCLEAR COST RECOVERY			(1,736)	(34)		883		(1,887)	1,087
FRANCHISE REVENUE & EXPENSE	(437,177)				(428,993)	(4,337)		(430,270)	(8,807)
GROSS RECEIPTS TAX	(230,764)				(241,458)	4,124		(237,331)	6,557
ECONOMY SALES					0	0		0	0
MISCELLANEOUS O&M EXPENSES			(1,015)		0	391		(623)	623
GAINGLOSS ON SALE OF LAND					0	0		0	0
AVIATION EXPENSE ADJUSTMENT			(347)	(3,407)	0	1,468		(2,306)	2,306
EXECUTIVE COMPENSATION ADJUSTMENT			(24,890)			9,324		(15,186)	15,186
INTEREST TAX DEFICIENCIES			2,182			(942)		1,340	(1,340)
INTEREST SYNCHRONIZATION						28,171		28,171	(28,171)
TOTAL FPSC ADJUSTMENTS	(\$6,003,449)	(\$4,346,843)	(\$183,070)	(\$146,814)	(\$871,313)	(\$38,095)	\$254	(\$8,893,682)	(\$109,787)
FPSC ADJUSTED	\$4,297,345	\$11,880	\$1,418,278	\$824,658	\$338,751	\$646,673	(\$1,888)	\$3,135,356	\$1,161,980
WEATHER NORMALIZATION ADJUSTMENT (1)	(\$167,808)				(\$128)	(\$64,807)		(\$84,732)	(\$102,877)
PROFORMA ADJUSTED	\$4,129,536	\$11,880	\$1,418,278	\$824,658	\$339,628	\$482,086	(\$1,896)	\$3,070,622	\$1,059,114

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 CAPITAL STRUCTURE (\$000'S)  
 FPSC ADJUSTED BASIS

SCHEDULE 3  
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
 Year 2010

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT		MIDPOINT		HIGHPOINT	
			PRORATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$5,510,039	\$5,388,848	\$84,558	(\$610,457)	\$4,862,945	29.02%	5.32%	1.54%	5.32%	1.54%	5.32%	1.54%
SHORT TERM DEBT	498,874	486,628	8,611	0	495,240	2.96%	0.75%	0.02%	0.75%	0.02%	0.75%	0.02%
PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	545,611	545,385	9,651	0	555,036	3.31%	5.98%	0.20%	5.98%	0.20%	5.98%	0.20%
COMMON EQUITY	7,982,700	7,737,980	136,928	0	7,874,908	47.00%	9.00%	4.23%	10.00%	4.70%	11.00%	5.17%
DEFERRED INCOME TAXES	3,310,189	3,236,990	51,481	(\$27,718)	2,960,753	17.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	78,796	77,985	111	(71,723)	6,373	0.04%	7.60%	0.00%	8.21%	0.00%	8.63%	0.00%
<b>TOTAL</b>	<b>\$17,876,220</b>	<b>\$17,473,614</b>	<b>\$251,338</b>	<b>(\$1,009,988)</b>	<b>\$16,755,254</b>	<b>100.00%</b>	<b>6.00%</b>		<b>6.47%</b>		<b>6.94%</b>	

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
FINANCIAL INTEGRITY INDICATORS

Company: Florida Power & Light Company and Subsidiaries,  
Year 2010

<b>A. TIMES INTEREST EARNED WITH AFUDC</b>	
EARNINGS BEFORE INTEREST	\$1,312,890
AFUDC - DEBT	16,098
INCOME TAXES	524,886
TOTAL	\$1,803,854
INTEREST CHARGES (BEFORE DEBT AFUDC)	6372,112
TE WITH AFUDC	4,121
<b>B. TIMES INTEREST EARNED WITHOUT AFUDC</b>	
EARNINGS BEFORE INTEREST	\$1,312,890
AFUDC - EQUITY	(33,733)
INCOME TAXES	574,898
TOTAL	\$1,254,054
INTEREST CHARGES (BEFORE DEBT AFUDC)	6372,112
TE WITHOUT AFUDC	4,96
<b>C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON</b>	
AFUDC - DEBT	516,028
X (% INCOME TAX RATE)	61.40%
SUBTOTAL	\$3,982
AFUDC - OTHER	33,732
TOTAL	\$43,764
NET INCOME AVAILABLE TO COMMON	3855,520
PERCENT AFUDC TO AVAILABLE NET INCOME	1.15%

<b>D. PERCENT INTERNALLY GENERATED FUNDS</b>	
NET INCOME	\$855,520
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	275,600
AFUDC (DEBT & OTHER)	(49,220)
DEPRECIATION & AMORTIZATION	989,764
DEFERRED INC TAXES & INVESTMENT CREDITS	245,650
OTHER SOURCE USES OF FUNDS	(240,945)
TOTAL	\$2,173,171
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & OTHER)	\$2,608,474
PERCENT INTERNALLY GENERATED FUNDS	85.60%

<b>E. &amp; F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL</b>	
RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$1,882,848
SHORT TERM DEBT	495,240
PREFERRED STOCK	0
COMMON EQUITY	7,274,906
TOTAL	\$13,233,093
% LONG TERM DEBT TO TOTAL	14.16%
% SHORT TERM DEBT TO TOTAL	3.74%

<b>G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</b>		FFSC ADJUSTED	PROFORMA
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN		5.94%	6.32%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:			
LONG TERM DEBT	1.54%		1.54%
SHORT TERM DEBT	0.02%		0.02%
PREFERRED STOCK	0.00%		0.00%
CUSTOMER DEPOSITS	0.20%		0.20%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.00%		0.00%
SUBTOTAL	1.77%		1.77%
TOTAL	4.17%		4.58%
DIVIDED BY COMMON EQUITY RATIO		11.86%	9.25%
JURISDICTIONAL RETURN ON COMMON EQUITY			

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
FORECAST ASSUMPTIONS

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Company: Florida Power & Light Company and Subsidiaries  
Year 2010

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	4,000,533	3,994,679
COMMERCIAL	502,249	504,058
INDUSTRIAL	9,685	10,052
OTHER	3,624	3,439
<b>TOTAL</b>	<b>4,516,091</b>	<b>4,499,062</b>

  

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	56,278,750	53,929,325
COMMERCIAL	64,597,290	48,024,713
INDUSTRIAL	3,213,591	3,244,858
OTHER	554,864	535,472
<b>TOTAL</b>	<b>124,644,495</b>	<b>105,734,368</b>

OTHER MAJOR FORECASTED ASSUMPTIONS:

<b>A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):</b>		
1. CONSUMER PRICE INDEX (CPI)		2.0%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR		2.2%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS		1.3%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS		1.3%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS		1.6%
<b>B. CAPITAL OVERHEAD RATES</b>		
1. PENSION & WELFARE		11.6%
2. PAYROLL TAXES & INSURANCE		7.8%
<b>C. OTHER CORPORATE ASSUMPTIONS</b>		
INTEREST RATES -		
1) 30 DAY COMMERCIAL PAPER		0.5%
2) LONG TERM DEBT		5.8%
DEPRECIATION RESERVE SURPLUS AMORTIZATION (3)		\$20,000

(1) Includes actual sales and forecasted weather normal sales

(2) 2009 actual sales

(3) Assumes FP&LC approval of the August 20, 2010 Stipulation & Settlement Agreement.

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:  
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.062 OR S. 775.083

Robert E J Barrett  
NAME

Vice President - Finance  
TITLE

*Robert E Barrett*  
SIGNATURE

10/15/2010  
DATE

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
INDIVIDUAL PROJECTS COMMENCING DURING 2010 WHICH EXCEED \$10 MILLION  
(AMOUNTS IN 000'S)

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Company: Florida Power & Light Company and Subsidiaries  
Year 2010

Schedule of individual projects that commence during 2010 and exceed a gross cost of \$10 million:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
St. Lucie Spent Fuel Subsequent Loading Campaign	\$25,797	Feb-10	Dec-13