

Marguerite McLean

110018-EU

From: Lowe, Amy [Amy.Lowe@fpl.com]
Sent: Tuesday, May 24, 2011 4:57 PM
To: Filings@psc.state.fl.us
Cc: Charles Murphy; Larry Harris; Adam Teitzman; richzambo@aol.com; Marsha Rule; danlarsen@bellsouth.net; Cox, Will P.
Subject: Electronic Filing - Docket # 110018-EU
Attachments: Letter to Clerk 05-24-11.pdf

Electronic Filing

a. Person responsible for this electronic filing:

William P. Cox, Esq.
 Florida Power & Light Company
 700 Universe Boulevard
 Juno Beach, FL 33408
 (561) 304-5662
Will.P.Cox@fpl.com

b. Docket No. 110018-EU

IN RE: Joint Petition for Need Determination between Solid Waste Authority and Florida Power & Light Company

c. The documents are being filed on behalf of Florida Power & Light Company.

d. There are a total of two (2) pages.

e. The document attached for electronic filing is:

Letter to Clerk dated May 24, 2011

See attached file(s): Letter to Clerk 05-24-11.pdf

Amy Lowe, CP
 Certified Paralegal
 Senior Legal Assistant to
 Bryan Anderson, Managing Attorney
 William P. Cox, Senior Attorney
 Florida Power & Light Company
 Office: (561) 304-5608 Fax: (561) 691-7135
 Email: amy.lowe@fpl.com



DOCUMENT NO. DATE
 03643-11 5, 24, 11
FPSC - COMMISSION CLERK



William P. Cox
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5662
(561) 691-7135 (Facsimile)

May 24, 2011

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

Re: Docket No. 110018-EU - Joint Petition for Need Determination between Solid
Waste Authority and Florida Power & Light Company

Dear Ms. Cole:

The proposed contract in this proceeding is based on Florida Power & Light Company's ("FPL's") 2011 Ten Year Site Plan ("Site Plan") filed April 1, 2011. The information presented in the 2011 Site Plan was based on FPL's then current resource planning assumptions. One of the resource planning assumptions in the Site Plan was that FPL would need to begin scheduling planned maintenance of its generating units during all summer months. Subsequently, FPL has determined that under current operating parameters the required maintenance may be performed during the non-summer months. All other things equal, this would lower FPL's resource needs in 2016, as reflected in the Site Plan, by 350 MW of capacity.

As noted during the hearing (Tr. 184, line 22) and indicated in the Site Plan itself, FPL's Site Plan is a planning document that is constantly evolving. FPL also is in the process of assessing its long term generation needs in a more detailed fashion. This work, which has not been concluded, will ultimately determine whether FPL's next planned generating unit will be required in 2016 or 2017.

FPL notes that the record in this proceeding clearly establishes that SWA's Expanded Facility and the proposed purchase power agreement between SWA and FPL are cost-effective for FPL's customers. The record shows that under a variety of scenarios (i.e., whether the avoided unit is 2016, 2018, or 2025), the proposed contract is cost-effective and will save FPL customers money.

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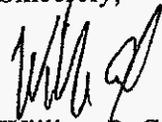
Ms. Cole
May 24, 2011
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The proposed advanced capacity payment will not change because it is based on the lower cost of the facility's electrical component, not FPL's avoided unit. Therefore, significant cost savings from the capacity payment will remain. The energy payments under the proposed contract are priced below FPL's avoided energy costs over the term of the contract, which will result in cost savings for FPL's customers, and the correction will not alter this term (pricing requirement) in the proposed contract.

Based on the foregoing, FPL is of the opinion that the record supports granting the joint petition and respectfully suggests that there is no impediment to the Commission moving forward to timely decide this case on its merits based on the existing record and schedule. FPL has consulted with SWA and is authorized to represent that SWA concurs with this position.

If you have any questions or require further information, please feel free to contact me.

Sincerely,



William P. Cox

CC: Charles Murphy, Esq.
Larry Harris, Esq.
Adam Teitzman, Esq.
Richard Zambo, Esq.
Marsha Rule, Esq.
Mr. Marc Bruner
Mr. Mark Hammond
Mr. and Mrs. Daniel Larson