



Florida Power & Light Company, 215 S. Monroe Street, Suite 810, Tallahassee, FL 32301

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May 27, 2011

Ms. Ann Cole, Director  
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

RECEIVED-FPSC  
11 MAY 27 PM 2:45  
COMMISSION  
CLERK

Re: Docket No. 110091-EQ - Petition for Approval of Renewable Energy Tariff and Standard Offer Contract by Florida Power & Light Company

Dear Ms. Cole:

On April 1, 2011, Florida Power & Light Company ("FPL") submitted its Petition for Approval of a Renewable Energy Tariff and Standard Offer Contract. Since that time, FPL has made a correction to a scrivener's error for the K Factor contained in that filing, so that the K Factor is properly specified as "1.5136" on the standard and legislative formats of the Fourth Revised Tariff Sheet No. 10.311. The K Factor was properly specified in Appendix E, Unit Information of that filing as "1.5136".

Enclosed for filing on behalf of FPL are an original and fifteen (15) replacement copies of the above-referenced tariff sheet, in both standard and legislative formats, which we ask that you distribute to recipients of the original filing so that replacement copies may be substituted in place of the copies that accompanied the original filing. Also enclosed is a compact disc containing the standard and legislative formats of the corrected tariff sheet in Microsoft Word format.

In addition, FPL hereby withdraws its May 25, 2011, request for deferral of Commission consideration of FPL's filing in this docket. If necessary, FPL will request a revision to its April 1, 2011, filing in this docket, as appropriate, upon completion of FPL's ongoing analysis of its next planned generating unit.

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

Sincerely,

*William P. Cox*  
William P. Cox

COM \_\_\_\_\_  
APA \_\_\_\_\_  
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OPC \_\_\_\_\_  
CLK \_\_\_\_\_

WPC/aal  
Enclosures

CC: Charles Murphy, Esq.

an FPL Group company

DOCUMENT NUMBER-DATE

03738 MAY 27 =

FPSC-COMMISSION CLERK

APPENDIX II  
 TO RATE SCHEDULE QS-2  
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:		<u>Value</u>
VAC <sub>m</sub>	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$11,658.14
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1,50961,5136
I <sub>n</sub>	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of yearn;	\$1,321,27941.72
O <sub>n</sub>	= total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$27,8217.74
i <sub>p</sub>	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i <sub>o</sub>	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.8765%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.329%
L	= expected life of the Company's Avoided Unit;	30
n	= year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	20252016

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A <sub>m</sub>	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i <sub>p</sub>	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i <sub>o</sub>	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.8765%
n	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F	= the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$938,331,115.12
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.3029%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
G	= the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$236,63243.40

\*From Appendix E

APPENDIX II  
 TO RATE SCHEDULE QS-2  
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:		<u>Value</u>
$VAC_m$	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$8.14
$K$	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.5136
$I_n$	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n;	\$941.72
$O_n$	= total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$17.74
$i_p$	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
$i_o$	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.65%
$r$	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.29%
$L$	= expected life of the Company's Avoided Unit;	30
$n$	= year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	2016

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

$A_m$	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
$i_p$	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
$i_o$	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.65%
$n$	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
$F$	= the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$1,115.12
$r$	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.29%
$t$	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
$G$	= the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$243.40

\*From Appendix E