

REDACTED

EXHIBIT B

DOCUMENT NUMBER-DATE

05401 AUG-1 =

FPSC-COMMISSION CLERK

1 This is done primarily to allow FPL to spread its risk among as many
2 counterparties as possible, but also affords the advantage of preventing the
3 inadvertent telegraphing of FPL's commercial intentions to the market, thus
4 helping to ensure favorable pricing for FPL's hedges.
5
6

7 **2012 Hedging Strategy (TFB-4, Items 2 and 8)**
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9 FPL plans to hedge a portion of its projected 2013 residual fuel oil and natural gas
10 requirements during 2012. Absent special circumstances (e.g. a hurricane that
11 FPL concludes will substantially impair market functions), FPL will implement
12 its hedging program within the following parameters:

13 **Natural Gas**

- 14 1) FPL will hedge approximately [REDACTED] of its projected 2013 natural gas
15 requirements within the Hedging Window during 2012. This hedge
16 percentage is consistent with 2012 hedge levels and is within FPL's
17 system base load requirements. FPL will hedge approximately [REDACTED] of
18 each individual month's projected natural gas requirements.
- 19 2) FPL will utilize [REDACTED] to
20 hedge its projected natural gas requirements.
- 21 3) FPL will execute its natural gas hedges for 2013 from [REDACTED]
22 through [REDACTED] as shown below:

23 **Hedging Window**

24 **230**
25 **286**
[REDACTED]

26 During each month of the Hedging Window, FPL will hedge the
27 percentages shown of its projected 2013 natural gas requirements. FPL
28 will have flexibility within any given month to determine the appropriate
timing for executing hedges.

- 29 4) FPL intends to rebalance its natural gas hedge positions during the year
30 based on changes in forecasted market prices, projected unit outage
31 schedules or changes in FPL's load forecast. Once the initial monthly
32 target volumes have been hedged, rebalancing will be executed to
33 maintain the hedge percentages within approved tolerance bands. The
34 monthly tolerance bands for natural gas are +/- [REDACTED]. Therefore, the
35 minimum and maximum monthly hedge percentages are [REDACTED] and [REDACTED]
36 respectively.
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1 **Heavy Fuel Oil**

- 2 1) FPL will hedge approximately [REDACTED] of its projected [REDACTED] through
3 [REDACTED] heavy fuel oil requirements. This hedge percentage is
4 consistent with 2012 hedge levels and is within FPL's system base load
5 requirements. FPL will hedge approximately [REDACTED] of each of these
6 individual month's projected heavy fuel oil requirements.
- 7 2) FPL will utilize [REDACTED] to
8 hedge its projected heavy fuel oil requirements.
- 9 3) FPL will execute its heavy fuel oil hedges for 2013 from [REDACTED]
10 through [REDACTED] as shown below:
11 Hedging Window
12

12
13 12.0
14 12.5

15 During each month of the Hedging Window, FPL will hedge the
16 percentages shown of its projected [REDACTED] heavy
17 fuel oil requirements. FPL will have flexibility within any given month to
18 determine the appropriate timing for executing hedges.

- 19 4) FPL intends to rebalance its heavy oil hedge positions during the year
20 based on changes in forecasted market prices, projected unit outage
21 schedules or changes in FPL's load forecast. Once the initial monthly
22 target volumes have been hedged, rebalancing will be executed to
23 maintain the hedge percentages within approved tolerance bands. The
24 monthly tolerance bands for heavy fuel oil are +/- [REDACTED]. Therefore, the
25 minimum and maximum monthly hedge percentages are [REDACTED] and [REDACTED]
26 respectively.
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30 **Reporting System for Fuel Procurement Activities (TFB-4, Items 13 and 14)**

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32 FPL reporting systems comprehensively identify, measure, and monitor all forms
33 of risk associated with fuel procurement activities.
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35 FPL's philosophy on reporting is that it should be timely, consistent, flexible, and
36 transparent. Timely and consistent reporting of risk information is critical to the
37 effective management of risk. The utility has sufficient systems capability for
38 identifying, measuring, and monitoring all types of risk associated with fuel
39 procurement activities. These systems include: deal capture, current and
40 historical pricing database, deal information, and valuation models, and a
41 reporting system that utilizes the information in the trade capture system and the
42 database.
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APPROVED BY THE EMC ON:

December 1, 2010

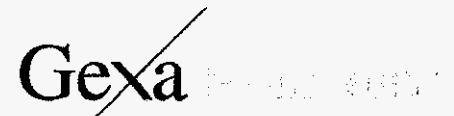
Updated on June 30, 2011

(See EMC Emails dated December 8, 2010. Please contact Risk Management at 304-6028)

NextEra Energy, Inc. Energy Trading and Risk Management Policy



FPL
Energy Services



**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS
PAGES 2-56**

TRADING AND RISK MANAGEMENT PROCEDURES MANUAL

Energy Marketing & Trading

A division of Florida Power & Light Company.

Trading and Risk Management

Procedures Manual

Revision: June 2011

Approved By: _____

(If the original signature is needed, please contact Risk Management at 304-6028)

**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS
PAGES 2-26**

ENERGY TRADING AND RISK MANAGEMENT POLICY

**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS
PAGES 1-14**

PLANNED POSITION STRATEGY