FPL

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March 18, 2008

-VIA HAND DELIVERY -

Ms. Ann Cole, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

<div align="center">

Re: Docket No. 080001-EI

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Dear Ms. Cole:

Consistent with Staff's Second Data Request dated March 14, 2008, attached is the original and five (5) copies of Florida Power & Light Company's ("FPL's") responses.

If there are any questions regarding this transmittal, please contact me at 561-304-5639.

Sincerely,

Nancy ReSmith

for John T. Butler

Enclosure
cc: Counsel for Parties of Record

Q.
Please refer to Tables 4.1A, 4.1B, 4.2A AND 4.2B and Graphs 4.1 and 4.2.
Staff would like to know if the true-up calculations and the subsequent years'
recovery-factor calculations in Table 4.1A and 4.1B are correct given the following
hypothetical scenario: FPL's VMM proposal and the following six assumptions: (1) no
prior year's true-up provision in the first year, (2) no GPIF reward or penalty, (3) an
interest rate of 0%, (4) no difference between the actual and estimated End-of-Period
Total Net True-ups, (5) annual expense estimates of $480,000,000 (coincidentally the
same number of dollars in each of eleven years), and (6) actual expenses exceeding
estimated expenses by 10% in the first year. If FPL does not agree with Table 4.1A and
4.1B which is based on the hypothetical, please explain why you do not agree with the
calculations in Table 4.1A and 4.1B.

A.

For clarification, please see Examples 1 & 2 for a numerical representation of the VMM
methodology.

FPL does not agree with the calculations shown in Tables 4.1A, 5.1A, 6.1A and 7.1A.
FPL does not agree with the calculations in Tables 4.1B, 5.1B, 6.1B and 7.1B as well as
Graphs 4.1, 5.1, 6.1 and 7.1. FPL has provided an Excel spreadsheet with corrected
calculations for the A tables that reference FPL's proposal. Additionally, FPL has added
two columns to all of the A tables that show a calculated recovery factor for each year
(Column (k)) and the percentage of true-up to jurisdictional fuel revenues applicable to
the period for each year (Column (l)). Column (l) was used to recreate Graphs 4.1, 5.1,
6.1 and 7.1 which are included on each worksheet tab. FPL also created a set of graphs
on each worksheet tab which uses the calculated data in Column (k) to further
demonstrate the reduction in variability through FPL's proposed VMM method.

EXAMPLE 1 - UNDER-RECOVERIES IN YEARS 1 AND 2

Fuel Factor for 2009 - E1 Schedule

Current Period True-Up

Line 29a   Final True-up   Estimated/Actual True-up   True-up amount included
      Jan 07-Dec 07   Jan 08 - Dec 08   in factor for 2009
      ($122 M)   ($78 M)   ($100 M)   =(($122 M) + ($78 M))/2 years
      under-recovery   under-recovery   under-recovery

Deferred True-Up from previous year
Line 29b $0

Total True-Up
Line 29c   ($100 M)
                              under-recovery

Fuel Factor for 2010 - E1 Schedule

Current Period True-Up

Line 29a   Final True-up   Estimated/Actual True-up   True-up amount included
      Jan 08 - Dec 08   Jan 09 - Dec 09   in factor for 2010
      ($50 M)   ($40 M)   ($45 M)   =(($50 M) + ($40 M))/2 years
      under-recovery   under-recovery   under-recovery

Deferred True-Up from previous year   ($100 M)
Line 29b   under-recovery

Total True-Up   ($145 M)
Line 29c   under-recovery

EXAMPLE 2 - UNDER-RECOVERY IN YEAR 1 AND OVER-RECOVERY IN YEAR 2

Fuel Factor for 2009 - E1 Schedule

Current Period True-Up

Line 29a   Final True-up   Estimated/Actual True-up   True-up amount included
      Jan 07-Dec 07   Jan 08 - Dec 08   in factor for 2009
      ($122 M)   ($78 M)   ($100 M)   =(($122 M) + ($78 M))/2 years
      under-recovery   under-recovery   under-recovery

Deferred True-Up from previous year
Line 29b $0

Total True-Up
Line 29c   ($100 M)
                              under-recovery

Fuel Factor for 2010 - E1 Schedule

Line 29a   Final True-up   Estimated/Actual True-up   True-up amount included
      Jan 08 - Dec 08   Jan 09 - Dec 09   in factor for 2010
      $50 M $40 M $90 M   =($50 M + $40 M)
      over-recovery   over-recovery   over-recovery

Deferred True-Up from previous year   ($100 M)
Line 29b   under-recovery

Total True-Up   ($10 M)
Line 29c   under-recovery

Q.

Table 4.2A and 4.2B contains the comparable true-up and recovery-factor calculations
made according to current method (recovery of all under-recoveries in the projected
year). If the calculations referenced in Question 1 above are in agreement with FPL's
proposal, please provide a comparison of the calculations in Tables 4.1A, 4.1B, 4.2A,
and 4.2B particularly the percents in Column (j) of Page 5 (both tables) and the merits
of having the various dollar amounts in Column (i) of Page 5 (both tables) reflected in
the subsequent years' recovery-factor calculations. Graphs 4.1 and 4.2 contain the
percents in Column (j) of Page 5 (both tables).

A.

Please refer to the spreadsheet FPL has provided that corrects the calculation for
FPL's proposed VMM method under varying scenarios. Each worksheet tab contains
two graphs that demonstrate less variability under the VMM method.

Q.
Please refer to Tables 5.1A through 7.2B and Graphs 5.1 through 7.2.
If the calculations referenced in Question 1 (above) are in agreement with FPL's
proposal, please provide comparisons like those in Question 2 for the Column (i)
dollar-amount calculations and Column (j) percent calculations in Tables 5.1B and 5.2B
(Graphs 5.1 and 5.2) (20% under recovery in the first year), Tables 6.1B and 6.2B
(Graphs 6.1 and 6.2) (10% under recovery in the first year followed by a 10% over
recovery in the second year), and Tables 7.1B and 7.2B (Graphs 7.1 and 7.2) (5%, 10%,
15%, and 20% under recoveries in the first through fourth years).

A.

Please see response to No. 2.

Q.
Does FPL agree that its proposed cost-recovery method for under recoveries (i.e. recovered in two years) compared to the current method (i.e. recovered in one year) does not cause a very significant reduction in cost-recovery factor variability (Tables 4.1B and 4.2B and Tables 5.1B and 5.2B)? If FPL does not agree, please explain why.

A.

FPL does not agree with this statement. Please reference FPL's corrected Tables 4.1A and 5.1A. FPL's proposed VMM method does result in a significant reduction in the variability of the cost-recovery factor under the scenarios proposed in Tables 4.1, 4.2, 5.1 and 5.2. Under the scenario described for Tables 4.1 and 4.2, FPL's proposed VMM method results in less cost-recovery factor variability as the original under recovery of $48 million in year 0 is collected equally across years 1 and 2 instead of the entire amount in year 1 as is the current approach. Likewise, under the scenario described for Tables 5.1 and 5.2, FPL's proposed VMM method results in less cost-recovery factor variability as the original under recovery of $96 million in year 0 is collected equally across years 1 and 2 instead of the entire amount in year 1 as is the current approach.

Q.
Also, does FPL agree that its proposed cost-recovery method for under recoveries, over successive periods, (i.e. recovered in two years) compared to the current method (i.e. recovered in one year) can cause increased cost-recovery factor variability (Tables 7.1B and 7.2B), as measured by the ranges of the percents appearing atop Column (j) on pages 5, 6, and 8?

A.

FPL does not agree with this statement. Please reference FPL's corrected Table 7.1A. A comparison of FPL's corrected Table 7.1A and Staff's original Table 7.2A shows that under FPL's proposed VMM method, the cost-recovery factors are less variable than the current approach. When comparing the calculated percentage of each year's true-up provision to each year's jurisdictional fuel revenue (applicable to the period), FPL's proposed VMM method results in percentages ranging from 3% to 18%, while the percentages for the current approach range from 5% to 20%. FPL's proposed VMM approach results in "smoother" cost-recovery factors over successive periods of under recoveries.

Q.

In FPL's introductory slide from March 11, 2008 slide show, on page 2 it states "FPL would collect under-recoveries of unhedged fuel costs over two years ...". Does FPL regard "under-recoveries of unhedged fuel costs" to be the same as "negative Estimated End-of-Period Total Net True-ups?"

A.

Under the VMM proposal, FPL will no longer hedge its natural gas and heavy oil consumption. Therefore, unhedged fuel costs refer to total recoverable fuel costs.

Q.

One of the data series shown in Exhibit 2 of the petition is the "customer bill under the VMM approach," in which FPL removed all financial hedges from FPL's energy procurement costs and then recalculated the customer bill based on a 2 year recovery period. In a similar manner, please provide a further recalculation of the customer bills for 2000 through 2008, based on a single year recovery period rather than a 2 year recovery period, thereby showing the customer bill without hedging using the normal true-up process of the annual fuel factor adjustment process.

A.

Hedge and Deferral Impacts on Residential Bill (per 1,000 kWh)	2000	2001	2002	2003	2004	2005	2006	2007	2008
Customer Bill – Current Approach w/ Hedges (Actual)	74.12	81.66	76.22	86.73	86.43	91.62	108.61	103.43	102.49
Customer Bill – VMM Approach (Estimated) 1-Year Recovery without Hedges	74.12	81.66	76.22	87.07	86.73	93.95	114.84	92.21	91.76
Customer Bill – VMM Approach (Estimated) 2-Year Recovery without Hedges	74.12	78.80	79.27	86.86	85.17	93.84	110.81	98.91	91.76

Q.

The following numbers of dollars represent FPL's Estimated End-of-Period Total Net True-ups since 1998. Does FPL agree with this representation?

Year	Dollars
1999	$42,377,583
2000	-259,002,688
2001	-245,208,621
2002	-7,047,788
2003	-344,729,859
2004	-140,387,623
2005	-743,140,130
*2006	138,587,448
2007	-79,322,258

* Excluded -$229,594,406

A.

FPL agrees with the data represented in the table.

Q.
Does FPL agree that, since 1998, FPL has generally had negative true-ups?

A.
Yes.

Table 4.1A - VMM Method

Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	528,000,000	-	(48,000,000)	-	(48,000,000)	4.00	0%
1	504,000,000	(24,000,000)	-	480,000,000	480,000,000	(48,000,000)	-	24,000,000	(24,000,000)	4.20	5%
2	504,000,000	(24,000,000)	-	480,000,000	480,000,000	(24,000,000)	-	24,000,000	-	4.20	5%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Table 4.2A - Current Method

Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	528,000,000	-	(48,000,000)	-	(48,000,000)	4.00	0%
1	528,000,000	(48,000,000)	-	480,000,000	480,000,000	(48,000,000)	-	48,000,000	-	4.40	10%
2	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Note: 10% Underrecovery in Year 0, 0% Overrecoveries Thereafter

Current Method — —VMM Method
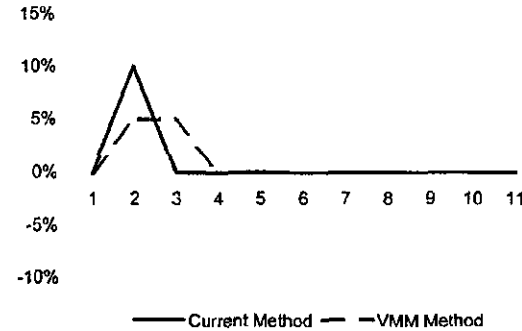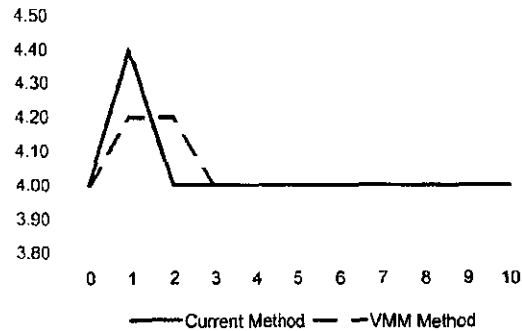

Current Method — —VMM Method

Table 5.1A - VMM Method

Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	576,000,000	-	(96,000,000)	-	(96,000,000)	4.00	0%
1	528,000,000	(48,000,000)	-	480,000,000	480,000,000	(96,000,000)	-	48,000,000	(48,000,000)	4.40	10%
2	528,000,000	(48,000,000)	-	480,000,000	480,000,000	(48,000,000)	-	48,000,000	-	4.40	10%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Table 5.2A - Current Method

Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	576,000,000	-	(96,000,000)	-	(96,000,000)	4.00	0%
1	576,000,000	(96,000,000)	-	480,000,000	480,000,000	(96,000,000)	-	96,000,000	-	4.80	20%
2	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Note: 20% Underrecovery in Year 0, 0% Overrecoveries Thereafter

Current Method — VMM Method
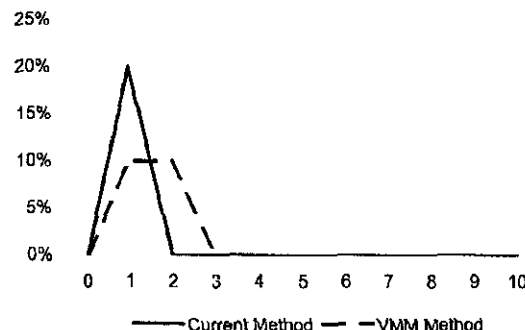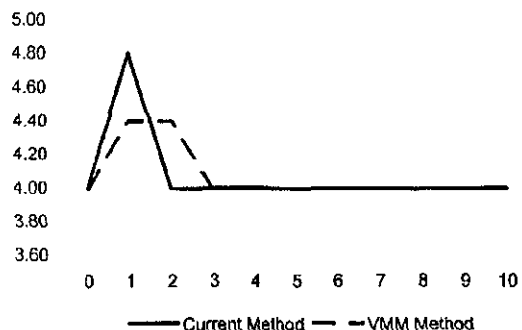

Current Method — VMM Method

Table 6.1A - VMM Method

Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	528,000,000	-	(48,000,000)	-	(48,000,000)	4.00	0%
1	504,000,000	(24,000,000)	-	480,000,000	432,000,000	(48,000,000)	48,000,000	24,000,000	24,000,000	4.20	5%
2	456,000,000	24,000,000	-	480,000,000	480,000,000	24,000,000	-	(24,000,000)	-	3.80	-5%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Table 6.2A - Current Method
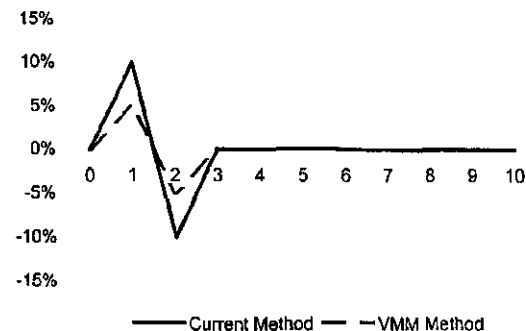
Year	Jurisdictional Fuel Revenue	True-Up Provision	Incentive Provision	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)]	Jurisdictional Fuel and Net Power Transactions	True-Up and Interest Provision Beginning of Year	True-Up Provision for the Year Over/Under Collection [(e)-(f)]	True-Up Collected or Refunded	End-of-Period Total Net True-Up [(g)+(h)+(i)]	Recovery Factor [(b)/12,000,000 MWh/10]	% True-Up to Jurisdictional Fuel Revenue Applicable to Period
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
0	480,000,000	-	-	480,000,000	528,000,000	-	(48,000,000)	-	(48,000,000)	4.00	0%
1	528,000,000	(48,000,000)	-	480,000,000	432,000,000	(48,000,000)	48,000,000	48,000,000	48,000,000	4.40	10%
2	432,000,000	48,000,000	-	480,000,000	480,000,000	48,000,000	-	(48,000,000)	-	3.60	-10%
3	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
4	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

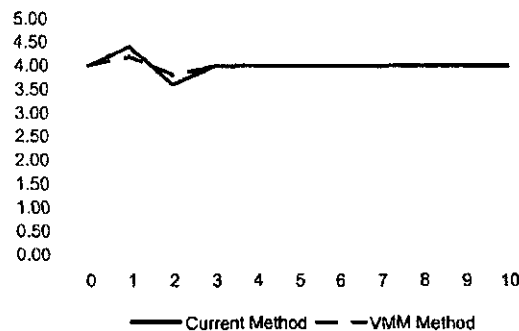Note: Offsetting 10% Overrecoveries, 0% Overrecoveries Thereafter

Current Method — VMM Method

Current Method — VMM Method

Table 7.1A - VMM Method

Year (a)	Jurisdictional Fuel Revenue (b)	True-Up Provision (c)	Incentive Provision (d)	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)] (e)	Jurisdictional Fuel and Net Power Transactions (f)	True-Up and Interest Provision Beginning of Year (g)	True-Up Provision for the Year Over/Under Collection [(e)-(f)] (h)	True-Up Collected or Refunded (i)	End-of-Period Total Net True-Up [(g)+(h)+(i)] (j)	Recovery Factor [(b)/12,000,000 MWh/10] (k)	% True-Up to Jurisdictional Fuel Revenue Applicable to Period (l)
0	480,000,000	-	-	480,000,000	504,000,000	-	(24,000,000)	-	(24,000,000)	4.00	0%
1	492,000,000	(12,000,000)	-	480,000,000	528,000,000	(24,000,000)	(48,000,000)	12,000,000	(60,000,000)	4.10	3%
2	516,000,000	(36,000,000)	-	480,000,000	552,000,000	(60,000,000)	(72,000,000)	38,000,000	(96,000,000)	4.30	8%
3	540,000,000	(60,000,000)	-	480,000,000	576,000,000	(96,000,000)	(96,000,000)	60,000,000	(132,000,000)	4.50	13%
4	584,000,000	(84,000,000)	-	480,000,000	480,000,000	(132,000,000)	-	84,000,000	(48,000,000)	4.70	18%
5	528,000,000	(48,000,000)	-	480,000,000	480,000,000	(48,000,000)	-	48,000,000	-	4.40	10%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Table 7.2A - Current Method

Year (a)	Jurisdictional Fuel Revenue (b)	True-Up Provision (c)	Incentive Provision (d)	Jurisdictional Fuel Revenue Applicable to Period [(b)+(c)+(d)] (e)	Jurisdictional Fuel and Net Power Transactions (f)	True-Up and Interest Provision Beginning of Year (g)	True-Up Provision for the Year Over/Under Collection [(e)-(f)] (h)	True-Up Collected or Refunded (i)	End-of-Period Total Net True-Up [(g)+(h)+(i)] (j)	Recovery Factor [(b)/12,000,000 MWh/10] (k)	% True-Up to Jurisdictional Fuel Revenue Applicable to Period (l)
0	480,000,000	-	-	480,000,000	504,000,000	-	(24,000,000)	-	(24,000,000)	4.00	0%
1	504,000,000	(24,000,000)	-	480,000,000	528,000,000	(24,000,000)	(48,000,000)	24,000,000	(48,000,000)	4.20	5%
2	528,000,000	(48,000,000)	-	480,000,000	552,000,000	(48,000,000)	(72,000,000)	48,000,000	(72,000,000)	4.40	10%
3	552,000,000	(72,000,000)	-	480,000,000	576,000,000	(72,000,000)	(96,000,000)	72,000,000	(96,000,000)	4.60	15%
4	576,000,000	(96,000,000)	-	480,000,000	480,000,000	(96,000,000)	-	96,000,000	-	4.80	20%
5	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
6	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
7	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
8	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
9	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%
10	480,000,000	-	-	480,000,000	480,000,000	-	-	-	-	4.00	0%

Note: 5%-10%-15%-20% Combination, 0% Overrecoveries Thereafter

Current Method — VMM Method

Current Method — VMM Method