

**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 080677-EI  
FLORIDA POWER & LIGHT COMPANY**

**IN RE: PETITION FOR RATE INCREASE BY  
FLORIDA POWER & LIGHT COMPANY**

**TESTIMONY & EXHIBITS OF:**

**JOSEPH A. ENDER**

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2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **DIRECT TESTIMONY OF JOSEPH A. ENDER**

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5

6   **Q.    Please state your name and business address.**

7    A.    My name is Joseph A. Ender. My business address is Florida Power & Light  
8           Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

9   **Q.    By whom are you employed and what is your position?**

10   A.    I am employed by Florida Power & Light Company (“FPL” or the  
11           “Company”) as the Manager of Cost of Service and Load Research in the  
12           Rates & Tariffs Department.

13   **Q.    Please describe your duties and responsibilities in that position.**

14   A.    I am responsible for managing FPL's load research and cost of service  
15           activities. My responsibilities include the preparation and filing before the  
16           Florida Public Service Commission (“FPSC” or the “Commission”) of load  
17           research sampling plans and study results, the development of annual energy  
18           and demand line loss factors by rate class, and the preparation of jurisdictional  
19           separation and retail cost of service studies.

1 **Q. Please describe your educational background and professional**  
2 **experience.**

3 A. I hold a Bachelor of Business Administration degree in Accounting from  
4 Florida Atlantic University. I received full accreditation for successfully  
5 completing the Certified Public Accountant's examination. Since joining FPL  
6 in 1979 I have held a variety of positions at FPL and FPL Group, Inc. in the  
7 areas of corporate tax, accounting, business development, regulatory affairs  
8 and rates. I have held the position of Manager of Cost of Service and Load  
9 Research since joining the Rates and Tariffs Department in 1998.

10 **Q. Are you sponsoring any exhibits in this case?**

11 A. Yes. I am sponsoring the following exhibits which are attached to my direct  
12 testimony:

- 13 • JAE-1 – Summary of Sponsored MFRs
- 14 • JAE-2 – Summary of Rate Classes Consolidated for Load Research  
15 Purposes
- 16 • JAE-3 – Rate Class Extrapolation Methodology
- 17 • JAE-4 – Cost of Service Methodology by Component
- 18 • JAE-5 – Rates of Return and Parity at Present Rates
- 19 • JAE-6 – Target Revenue Requirements at Proposed Rates

1 **Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements**  
2 **(MFRs) in this case?**

3 A. Yes. Exhibit JAE-1 shows my sponsorship and co-sponsorship of MFRs as  
4 well as 2009 Supplemental MFR schedules that FPL has agreed with the  
5 Commission Staff and the Office of Public Counsel to file.

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to address four primary areas. First, my  
8 testimony explains in general terms what load research is, how it is used in the  
9 jurisdictional separation and cost of service studies, and how the projected  
10 load forecast by rate class and energy loss factors were developed. Second, I  
11 describe the process used in the development of FPL's jurisdictional  
12 separation study and resulting jurisdictional separation factors. Third, I  
13 discuss FPL's process of preparing a retail cost of service study and explain  
14 the proposed methodologies to allocate production, transmission and  
15 distribution plant to retail rate classes. Lastly, I discuss the results of the retail  
16 cost of service study for the 2010 Test Year and 2011 Subsequent Year  
17 Adjustment.

18 **Q. Please summarize your testimony.**

19 A. FPL's cost of service study results for the projected 2010 Test Year and 2011  
20 Subsequent Year Adjustment are accurately determined and fairly present  
21 each rate class's cost responsibility, rate of return (ROR) and parity position  
22 relative to FPL's projected retail jurisdictional ROR. These results reflect the  
23 forecast of base revenues for each rate class, and an equitable allocation of

1 other operating income, expenses and rate base. The methodologies used to  
2 allocate rate base and other operating revenues and expenses were  
3 appropriately applied and are consistent with those previously approved by  
4 this Commission.

5  
6 FPL's projected retail ROR of 4.25% for the 2010 Test Year and 3.71% for  
7 the 2011 Subsequent Year are well below the projected weighted average cost  
8 of capital for 2010 and 2011 of 8.00% and 8.18%, respectively. This indicates  
9 that the incremental costs needed to meet the growth in infrastructure and the  
10 increased reliability demands is greater than the costs embedded in FPL's  
11 current rates. At the rate class level, this condition is also generally true.  
12 Except for two very small rate classes, the rates charged by FPL are well  
13 below the levels needed to allow for recovery of FPL's projected incremental  
14 costs.

15  
16 The rate class cost of service study shows that at present rates certain rate  
17 classes, such as RS-1 and GS-1, are significantly above parity while some of  
18 the larger commercial/industrial rate classes, particularly GSLD(T)-1 and  
19 GSLD(T)-2, and their respective optional rate classes, HLFT-2 and HLFT-3,  
20 are well below parity. Exhibit JAE-5 lists the rate of return and related parity  
21 index for each rate class along with the revenue requirement differential to  
22 achieve full parity at present rates for the 2010 Test Year and the 2011

1 Subsequent Year Adjustment. MFR E-1 provides the details supporting these  
2 results.

3

4 Finally, the cost of service study provides the target revenue requirements by  
5 rate class and underlying unit costs for each billing determinant, that is,  
6 demand, energy and customer. This information is presented on MFR E-6b,  
7 and provides the basis for designing rates that would improve the parity  
8 among rate classes and better align FPL's charges with their true costs.  
9 Exhibit JAE-6 shows for each rate class the target revenue requirements at  
10 proposed rates on an equalized basis, that is, at the retail ROR or at parity.

11

12 The Commission should approve the jurisdictional separation and cost of  
13 service study methodologies and results presented in my testimony because  
14 they are fair and reasonable and they properly allocate costs to rate classes.

15

16

## **LOAD RESEARCH AND ENERGY LOSSES**

17

18 **Q. What information is provided by load research?**

19 A. Load research provides, for each rate class, information on the contribution to  
20 the system peak or coincident peak (CP), as well as the class or group non-  
21 coincident peak (GNCP), and the customers' non-coincident peak (NCP). The  
22 contribution to the system peak represents the rate class demand at the time of  
23 the system peak. By contrast, the class or group non-coincident peak

1 represents a rate class's maximum demand as a class. The customer's non-  
2 coincident peak demand is the sum of the individual customer peak demands  
3 for all the customers within the rate class regardless of when they occur. In  
4 addition, load research provides load shapes, hourly data and load factors for  
5 each rate class. Load research data reflecting all of the above attributes is  
6 developed on a monthly basis for each wholesale and retail rate class. The  
7 monthly data is analyzed and reported on an annual basis as well.

8 **Q. Has the Commission reviewed and approved the company's load**  
9 **research?**

10 A. Yes. Florida Administrative Code (FAC) Rule 25-6.0437, Cost of Service  
11 Load Research, requires that investor-owned utilities serving more than  
12 50,000 retail customers submit a load research sampling plan every three years  
13 to the Commission for review and approval. FPL's most recent sampling plan  
14 was submitted in August 2007 and approved in September 2007. In addition,  
15 the rule requires that utilities submit a complete load research study every  
16 three years. FPL's most recent load research study was filed with the  
17 Commission in April 2007.

18 **Q. Please describe the information provided and summarize the results**  
19 **achieved in the study filed with the Commission in April 2007.**

20 A. This study provided the estimated CP and NCP demands from January  
21 through December 2006 for all rate classes subject to reporting per FAC Rule  
22 25-6.0437. Also included in the report for the sampled rate classes are the  
23 90% confidence intervals around the monthly peak demands and their percent

1 relative accuracy. FPL met the target level of statistical accuracy for the  
2 estimate of averages of the 12 monthly coincident peaks of plus or minus 10%  
3 at the 90% confidence level for each rate class. In addition, FPL met the  
4 target level of statistical accuracy of plus or minus 10% error (15% for the  
5 GS(T)-1 class) at the 90% confidence level for the summer and winter peaks  
6 for the sampled rate classes with the exception of GSD(T)-1, General Service  
7 Demand, for the winter peak. The achieved relative accuracy for the  
8 GSD(T)-1 class winter peak was 11.13%, slightly over the 10% accuracy  
9 threshold.

10 **Q. What caused FPL to not meet the statistical accuracy threshold for its**  
11 **GSD(T)-1 class's 2006 winter peak?**

12 A. The GSD(T)-1 class did not meet the 10% relative accuracy threshold for the  
13 winter peak, which occurred in February, due to customer migration. In the  
14 first two months of 2006 the GSD(T)-1 load research sample lost a total of 15  
15 sample points (10% of the total sample which consisted of 146 premises) due  
16 to customer migration from the GSD(T)-1 class to new optional rate classes.  
17 The new optional rate classes (HLFT-1 and SDTR-1), which became effective  
18 in January 2006 as a result of the FPSC's Order Approving FPL's Settlement  
19 and Stipulation Agreement, Order No. PSC-05-0902-S-EI, Docket No.  
20 050045-EI, were made available to customers otherwise served under the  
21 GSD(T)-1 rate class.



1 **Q. Is the load research forecast in this filing impacted by the GSD(T)-1 class**  
2 **not meeting the 10% statistical accuracy threshold for the 2006 winter**  
3 **peak?**

4 A. No. While the achieved relative accuracy for the GSD(T)-1 class winter peak  
5 of 11.13% was slightly over the 10% threshold, the GSD(T)-1 class maximum  
6 peak demand (GNCP) for the year occurred in July 2006. The GSD(T)-1 class  
7 achieved relative accuracy for July 2006 was 4.76%, well under the 10%  
8 threshold. Furthermore, as mentioned previously, FPL met the relative  
9 accuracy for the average of the 12 monthly coincident peaks for 2006 for all  
10 rate classes, including the GSD(T)-1 class.

11 **Q. Why is load research a necessary input into the jurisdictional separation**  
12 **and cost of service studies?**

13 A. Load research provides information on usage characteristics needed to  
14 allocate costs between customer groups or classes. For jurisdictional  
15 separation purposes, load research provides a basis for allocating costs  
16 between retail and wholesale jurisdictions. For a retail cost of service study,  
17 load research provides information needed to allocate costs among retail rate  
18 classes.

19 **Q. Please explain the concept of “rate classes” that are used for load**  
20 **research purposes.**

21 A. In general terms, rate classes are groups of individual rate schedules with like  
22 billing attributes (customer type and load size) and rate design relationships,  
23 so they are treated for rate design purposes on a combined basis. As a result,

1 one or more rate schedules may be combined into a single rate class. For  
2 example, residential non-time-of-use, Rate Schedule RS-1, and residential  
3 time-of-use, Rate Schedule RST-1, are combined together into the RS(T)-1  
4 rate class. The practice of combining time-of-use rate schedules with their  
5 non-time-of-use counterparts is consistent with the treatment in FPL's last  
6 three rate cases in which cost of service studies were filed (Docket Nos.  
7 050045-EI, 001148-EI and 830465-EI).

8 **Q. Have you prepared an exhibit that lists the rate classes used for load  
9 research?**

10 A. Yes. Exhibit JAE-2 lists and describes the rate classes used for load research  
11 study purposes. As shown on Exhibit JAE-2, a total of 30 rate classes are  
12 used for load research purposes.

13 **Q. Why does FPL use rate classes instead of rate schedules for load research  
14 study purposes?**

15 A. Load research is developed by rate class to provide the load data necessary for  
16 cost of service studies at the level of detail needed to support rate design  
17 activities such as changes in existing rates and the addition of new rates. As  
18 previously mentioned, rate classes are groups of individual rate schedules,  
19 which are similar and have rate design relationships, so they are treated for  
20 rate design purposes on a combined basis. MFR E-8, sponsored by FPL  
21 witness Deaton, is prepared at a rate class level consistent with load research  
22 and cost of service.

1 **Q. How is load research information developed by rate class?**

2 A. Interval load data is collected and analyzed to develop load research  
3 information by rate class. For certain rate classes the interval load data is  
4 captured with recording metering devices that are used for billing purposes  
5 (100% metered). Unmetered rate classes such as street lights are modeled  
6 based on their equipment usage characteristics. Load research statistical  
7 samples are deployed in compliance with FAC Rule 25-6.0437 for all rate  
8 classes that are not 100% metered or modeled. Exhibit JAE-3 lists the rate  
9 classes that are 100% metered, modeled, or sampled.

10

11 Exhibit JAE-3 also reflects the extrapolation technique used to estimate the  
12 load research data for each rate class. The Ratio Extrapolation technique is  
13 the methodology utilized to expand the historical load research data for  
14 sampled rate classes and for 100% metered rate classes with a large number of  
15 customers. This methodology estimates the total rate class demand by  
16 applying the ratio of demand to billed energy for each interval multiplied by  
17 the billed energy for the rate class. On the other hand, the Mean Per Unit  
18 Extrapolation technique is more appropriate for rate classes with a small  
19 number of customers. The Mean Per Unit Extrapolation methodology  
20 estimates the total rate class demand by applying the average demand for each  
21 interval multiplied by the number of customers in the rate class. Extrapolation  
22 techniques (Ratio or Mean Per Unit) are also used with 100% metered rate

1 classes as necessary to account for missing interval data resulting from meter,  
2 data translation, or communication issues.

3

4 Lighting rate classes, SL-1, OL-1 and SL-2, are billed as unmetered rates.

5 The usage characteristics for the lighting rate classes are modeled based on the

6 estimated number of burn hours or estimated hours of operation. This

7 modeling technique is used for the SL-1 and OL-1 rate classes, and it

8 estimates that light fixtures are on approximately 48% of all hours in a year.

9 The Traffic Signal Service SL-2 rate class is modeled based on a 100% load  
10 factor.

11

12 The load research sampling methodologies and extrapolation techniques

13 described above are standard load research techniques that are widely used in

14 the industry. Moreover, FPL has applied these techniques on a consistent

15 basis in its load research filings with the FPSC.

16 **Q. Please discuss the historical load research information used in this filing.**

17 A. The monthly load research data for the most recently completed three year

18 annual load research studies were used. Load research data for the historical

19 years 2005, 2006 and 2007, is provided in MFR E-11, Attachments 2, 3 and 4,

20 respectively. The load research data for these years has been used in previous

21 FPSC cost recovery clause filings. In addition, as stated previously, FPL's

22 load research study for the year 2006 was filed with the Commission in April

23 2007. The historical load research information provided the basis for the

1 projected 2010 and 2011 load research data shown in MFR E-11,  
2 Attachment 1.

3 **Q. Please describe how the projected 2010 and 2011 load research data was**  
4 **developed.**

5 A. The historical load research data was combined with the sales forecast by rate  
6 class to develop the coincident and non-coincident demand estimates for the  
7 projected 2010 Test Year and projected 2011 Subsequent Year. Historical  
8 load research data for the years 2005 through 2007 was used for all rate  
9 classes, with the exception of new rate classes that became effective January  
10 2006 as a result of FPL's Settlement and Stipulation Order. Available  
11 historical load research data was used for these new rate classes. Monthly  
12 ratios of each rate class's CP, GNCP and customer NCP to actual kWh sales  
13 were developed for each of the three years of historical load research data  
14 available. In developing these ratios, adjustments were made to account for  
15 historical load control events and to address the effects of customer migration  
16 between rate classes.

17  
18 Projected 2010 and 2011 monthly GNCP and NCP ratios were then developed  
19 based on the average of the historical ratios. The monthly projected 2010 and  
20 2011 CP ratios were developed using historical CP ratios that corresponded  
21 best to the time (hour) and day (weekday, weekend) of the projected monthly  
22 system peaks. The projected monthly system peaks are presented on MFR  
23 E-18 sponsored by FPL witness Morley.

1 The projected CP, GNCP and NCP ratios were then combined with the sales  
2 forecast by rate class to derive the projected coincident peak, non-coincident  
3 group peak and customer non-coincident peak demands for each class. The  
4 sales forecast by rate class was developed by FPL witness Deaton.

5 **Q. Has the ratio method of developing projected load research information**  
6 **just described been utilized previously?**

7 A. Yes. The forecasted load research data in FPL's MFR filings in FPSC Docket  
8 Nos. 050045-EI and 001148-EI utilized this methodology.

9 **Q. In light of the current economic slowdown, did you evaluate 2008 load**  
10 **research data to determine the propriety of using historical 2005 through**  
11 **2007 ratios for developing the load research forecast?**

12 A. Yes. While the 2008 study was in process and only partially completed at the  
13 time the load forecast by rate class was developed, the 2008 economic  
14 conditions warranted the need for this review. The review was conducted to  
15 assess whether and to what extent changes in consumption patterns were  
16 occurring which warranted adjusting the previously developed historical load-  
17 related ratios.

18 **Q. Based on the review of available 2008 data, were any adjustments made**  
19 **to the CP, GNCP and NCP ratios?**

20 A. Yes. The review revealed that nine of the 30 rate classes experienced changes  
21 in consumption patterns which warranted adjusting the previously developed  
22 historical load-related ratios. Accordingly, the historical CP, GNCP and NCP  
23 ratios for these classes were recalculated including the available 2008

1 historical load research data. The nine rate classes adjusted are CS(T)-2,  
2 GSLD(T)-2, GSLD(T)-3, HLFT-3, OS-2, SDTR-1, SDTR-2, SDTR-3 and  
3 SST-1D.

4 **Q. Is the projected load research data by rate class consistent with the**  
5 **system load forecast?**

6 A. Yes. The projected load research data is consistent with the forecast of system  
7 monthly peak demands for 2010 and 2011 presented in MFR E-18 and with  
8 the forecast of system sales for 2010 and 2011 presented in MFR F-8,  
9 sponsored by FPL witness Morley.

10 **Q. Which MFRs provide additional information on load research?**

11 A. MFR E-9 and MFR E-17 provide additional information on load research.

12 **Q. How is the load research data used in the development of the separation**  
13 **factors and cost of service study?**

14 A. The load research data is used to develop the load-related allocation factors  
15 shown in MFR E-10. These load-related allocation factors, namely CP,  
16 GNCP and NCP, are based on the load research data, with adjustments for  
17 energy losses as needed.

18 **Q. What are energy losses?**

19 A. Simply stated, energy losses represent the amount of energy produced that is  
20 neither sold nor used by the Company. There are two types of energy losses:  
21 technical and non-technical. Technical losses are inherent to the transmission  
22 and distribution of electricity and occur on generation step-up transformers,  
23 transmission lines, distribution station step-down transformers, distribution

1 lines, distribution transformers and secondary services to customers. Non-  
2 technical losses include electricity theft and other unaccounted for use of  
3 energy.

4 **Q. Why is it appropriate to adjust the load-related allocation factors for**  
5 **energy losses?**

6 A. As discussed above, the load-related allocation factors are developed based  
7 upon the sales forecasts by rate class, which are then multiplied by the ratios  
8 established through load research to project CP, GNCP and NCP. But the  
9 forecasted sales for each rate class are at the meter, which is net of whatever  
10 energy losses occur in delivering electricity to customers in that class. The  
11 peak load that is imposed upon the system by each rate class is actually  
12 proportional to the total energy generated for that class, not the amount of  
13 energy delivered at the meter.

14

15 If all rate classes had the same level of energy losses, there would be no need  
16 to adjust for the losses, because the relative relationship among the rate  
17 classes would remain the same regardless of whether the losses were netted  
18 out. However, energy losses are different for rate classes served at  
19 transmission, primary distribution and secondary distribution voltage levels,  
20 so it would not be appropriate to assume that the energy losses are the same  
21 for the different rate classes. Electric lines operating at higher voltage levels  
22 experience less energy loss per amount of energy delivered than lower voltage  
23 lines, thus transmission customers incur lower losses as a percent of energy



1 delivered than customers served at lower voltage levels. Primary distribution  
2 voltage losses are higher than transmission voltage losses because they  
3 include transmission losses as well as distribution station step-down  
4 transformers and distribution line losses. Secondary distribution voltage  
5 customers incur the highest losses per unit delivered since their losses include  
6 losses due to transformers and secondary services in addition to losses from  
7 transmission and primary distribution voltages. Therefore, FPL develops and  
8 applies separate loss adjustments to each rate class so that these differences in  
9 energy losses among the rate classes are recognized.

10 **Q. How are the adjustments for energy losses determined?**

11 A. FPL witness Morley forecasts energy losses on a total FPL system basis. The  
12 forecasted system-wide energy losses are then converted into loss adjustment  
13 factors by voltage level and by rate class. MFRs E-19a, E-19b, and E-19c  
14 provide the details and results of this process. When these energy loss factors  
15 by rate class are applied to the corresponding rate class load-related data, the  
16 resulting values are termed 12 CP, GNCP and NCP “adjusted for losses.”  
17 Load data by rate class reflecting adjustments for energy losses is summarized  
18 in MFR E-9.



1 assignment of costs into one or more of the major functions of an electric  
2 utility, e.g., production, transmission and distribution. The term  
3 “classification” refers to the categorization by cost driver, that is, the  
4 determination of whether a cost is driven by demand, energy, or number of  
5 customers. Finally, each component is “allocated” between jurisdictions  
6 using jurisdictional separation factors. The method of allocating a cost should  
7 be consistent with its functionalization and classification. Simply stated, a  
8 cost classified as demand-related should not be allocated on the basis of kWh  
9 of energy consumed, nor should a cost classified as energy-related be  
10 allocated based on peak demand.

11 **Q. What are jurisdictional separation factors?**

12 A. Jurisdictional separation factors allocate rate base and net operating income  
13 items between retail and wholesale jurisdictions. These factors are expressed  
14 as figures between zero and one with the former indicating no retail  
15 responsibility and the latter indicating complete retail responsibility. The  
16 jurisdictional separation factors are primarily based on demand or energy sales  
17 for the retail and wholesale jurisdictions. However, other factors that best  
18 represent each jurisdiction’s cost responsibility are utilized. MFR E-10,  
19 Attachment 1, outlines the specific methodology used to develop the  
20 separation factors by each component of cost.

21 **Q. What types of transactions are considered wholesale sales?**

22 A. Wholesale sales consist of electricity sold to other electric utilities or to public  
23 authorities for resale purposes. They include requirement power sales to other

1 utilities, which are firm, long term sales, as well as opportunity sales.  
2 Transmission service between utilities also falls under wholesale jurisdiction.

3 **Q. What is the significance of the different types of wholesale transactions in**  
4 **developing separation factors?**

5 A. It is important to understand the significance of a wholesale sale that is subject  
6 to a jurisdictional separation factor (a “separated sale”) and a wholesale sale  
7 that is not subject to a jurisdictional separation factor (a “non-separated sale”),  
8 as different regulatory treatments apply to the costs and revenues associated  
9 with each type of sale. The FPSC has historically made a distinction between  
10 separated versus non-separated wholesale power sales. As outlined in Docket  
11 No. 970001-EI, Order No. PSC-97-0262-FOF-EI, wholesale sales that are  
12 non-firm or less than one year in duration are treated as non-separated sales  
13 because a utility does not commit long-term capacity to such wholesale  
14 customers. Non-separated sales are not assigned cost responsibility through a  
15 separation process; therefore, the retail customer supports all of the  
16 investment that is used to make the sale. In exchange for supporting the  
17 investment, the retail customer receives all of the revenues, both fuel and non-  
18 fuel, that the sale generates through a credit in the fuel and capacity cost  
19 recovery clauses.

20 **Q. How are separated wholesale sales treated in the jurisdictional separation**  
21 **study?**

22 A. The FPSC has historically required utilities to separate and treat as 100%  
23 wholesale firm sales of more than one year that commit production capacity to

1 wholesale customers. In essence, the wholesale sale is separated to remove  
2 the production plant, operating expenses (including fuel expenses) and  
3 operating revenues associated with the sale from the retail jurisdiction's cost  
4 responsibility. FPL's separated wholesale sales for the 2010 Test Year and  
5 the 2011 Subsequent Year include the Florida Keys Electric Cooperative  
6 (FKEC) and City Electric System of Key West power sales contracts, the  
7 Metro-Dade Solid Waste Management (MDSW) contract, and the initial,  
8 partial-requirements Lee County Electric Cooperative (LCEC) power sales  
9 contract. As is the case with other separated wholesale sales, using the LCEC  
10 load in calculating the separation factors ensures that FPL's retail customers  
11 will receive the benefit of LCEC sharing responsibility for the fixed costs of  
12 FPL's electric system.

13 **Q. Please explain how the results of the jurisdictional separation study are**  
14 **incorporated into the cost of service study.**

15 A. The jurisdictional separation factors are applied to the Company's total utility  
16 rate base and net operating income (NOI) to compute jurisdictional or retail  
17 rate base and net operating income. The jurisdictional results and associated  
18 factors are shown on MFR B-6 and MFR C-4. The jurisdictional separation  
19 factors are among the inputs used to calculate the jurisdictional or retail-  
20 adjusted rate base and NOI reported in MFRs B-1 and C-1, respectively,  
21 sponsored by FPL witness Ousdahl. The jurisdictional or retail-adjusted rate  
22 base and NOI are allocated to retail rate classes in the cost of service study.



1 energy). The 12 CP and 1/13<sup>th</sup> methodology has a significant history of  
2 regulatory acceptance in Florida. The 12 CP and 1/13<sup>th</sup> methodology was  
3 approved in Docket No. 830465-EI for allocating all of FPL's production plant  
4 with the exception of one generating unit, discussed below. Furthermore, the  
5 FPSC has approved the 12 CP and 1/13<sup>th</sup> methodology for allocating  
6 production plant in rate cases involving other investor-owned utilities.

7 **Q. Please explain the exception to the 12 CP and 1/13<sup>th</sup> methodology**  
8 **approved in Docket No. 830465-EI.**

9 A. The methodology approved in this docket incorporated a special treatment for  
10 the St. Lucie Unit 2 nuclear generating unit. The FPSC, in Order No. 13537,  
11 Docket No. 830465-EI, ordered that instead of using the 12 CP and 1/13<sup>th</sup>  
12 methodology for St. Lucie Unit 2, a portion of the unit, equal to the residual  
13 cost of the unit above that of a peaking unit, be allocated on energy. As a  
14 result, approximately 25% of St. Lucie Unit 2 was classified on the basis of  
15 demand, and approximately 75% was classified on the basis of energy. At  
16 that time, St. Lucie Unit 2 had only recently gone into service, and it  
17 represented a substantial percentage of FPL's total production plant in rate  
18 base. Today, St. Lucie Unit 2 has been in service for approximately 25  
19 years, and its remaining contribution to total production plant is much smaller.  
20 As a result, the special exception made for St. Lucie Unit 2 in Docket No.  
21 830465-EI should no longer apply. Instead, FPL's cost of service study has  
22 used a 12 CP and 1/13<sup>th</sup> methodology for all production plant, including St.  
23 Lucie Unit 2.

1 **Q. How does FPL's cost of service methodology treat transmission plant?**

2 A. With the exception of transmission pull-offs, which are required to connect  
3 transmission voltage customers to the grid, transmission plant has also been  
4 classified on the basis of 12 CP and 1/13<sup>th</sup>. The portion of transmission plant  
5 classified on demand is allocated to the individual rate classes based on their  
6 12 CP contributions, adjusted for losses, while the portion classified on energy  
7 is allocated based on the kWh sales, adjusted for losses. Costs associated with  
8 transmission pull-offs are classified as customer-related and allocated to  
9 transmission voltage customers. This mirrors the treatment of transmission  
10 plant approved in Docket No. 830465-EI.

11 **Q. How does FPL's cost of service methodology treat distribution plant?**

12 A. Unlike production and transmission plant, which serve all of FPL's retail rate  
13 classes, distribution plant is often specific to particular rate classes. Metering  
14 costs, for example, are not relevant to lighting classes, such as SL-1 and OL-1,  
15 which are unmetered. Likewise, the cost of secondary lines is not incurred in  
16 providing service to transmission level customers. Thus, the distribution  
17 function is actually a mix of a number of distinct sub-functions, each with its  
18 own allocation methodology. Substations and primary voltage lines are  
19 allocated on the basis of the GNCP of customers served from the distribution  
20 system. Secondary voltage lines are allocated on the basis of the GNCP of  
21 customers served at secondary voltage levels. Transformers are allocated on  
22 the basis of the NCP of customers served at secondary voltage levels.



1            Metering equipment is classified as a customer charge and is allocated to rate  
2            classes on the basis of meter costs weighted by the number of metered  
3            accounts. Service drops and primary voltage pull-offs are also classified as a  
4            customer charge. Primary voltage customers are allocated the cost of primary  
5            pull-offs, and secondary voltage customers are allocated the cost of service  
6            drops.

7  
8            Lastly, costs specifically dedicated to lighting customers, including fixtures,  
9            poles and conductors, are directly assigned to those rate classes. FPL's  
10           methodology for treating distribution plant just described is consistent with  
11           that approved in Docket No. 830465-EI.

12    **Q.    Is additional detail available outlining the methodology used in the**  
13           **retail cost of service study?**

14    A.    Yes. Exhibit JAE-4 provides the methodology used in the cost of service  
15           study to allocate the detail components of rate base and NOI. This document  
16           is intended as a supplement to Attachment 1 of MFR E-10.

17    **Q.    Which MFRs outline the functionalization, classification and allocation of**  
18           **costs in the cost of service study?**

19    A.    MFRs E-4a and E-4b show the classification and functionalization by the  
20           Federal Energy Regulatory Commission (FERC) account of rate base and  
21           expenses respectively. MFRs E-3a and E-3b show the allocation of rate base  
22           and expenses by FERC account to the individual rate classes.

1 **RETAIL COST OF SERVICE RESULTS**

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**Q. What results are produced in the cost of service study?**

A. The cost of service study produces specific data for each rate class including rate base, net operating income, ROR, target revenue requirements, and unit costs for demand, energy and customer charges. Target revenue requirements and unit costs serve as the initial basis in the rate design process.

**Q. How is the rate of return by rate class determined?**

A. ROR is calculated by dividing net operating income (NOI) by rate base. The retail jurisdictional ROR represents the jurisdictional adjusted net operating income divided by the jurisdictional adjusted rate base. Having allocated the various components of jurisdictional adjusted rate base and jurisdictional adjusted net operating income across the retail rate classes, RORs can then be computed on a rate class level. RORs on a total retail and rate class level are reported in MFR E-1.

**Q. How are comparisons in ROR by rate class made?**

A. A measure of how a rate class's ROR compares to the total retail ROR can be computed by dividing the class ROR by the retail ROR. The resulting figure is referred to as the parity index. Thus, a rate class with a parity index of 100% would be earning the same ROR as the retail average, and deemed to be precisely at parity. A rate class with a parity index of less than 100%, or below parity, would be earning an ROR less than the retail average ROR, while the opposite would be true for a rate class with an index above 100%.

1 **Q. What does FPL's cost of service study show regarding the retail average**  
2 **ROR and the parity indices by rate class?**

3 A. At present rates, FPL's cost of service shows a projected retail jurisdictional  
4 ROR of 4.25% for the 2010 Test Year and 3.71% for the 2011 Subsequent  
5 Year, which is consistent with the earned rates of return reported on Line  
6 No. 12 of MFR A-1. The study shows that at present rates certain rate classes,  
7 such as RS(T)-1 and GS(T)-1, are above parity while some of the larger  
8 commercial/industrial rate classes, particularly GSLD(T)-1 and GSLD(T)-2,  
9 and their respective optional rate classes, HLFT-2 and HLFT-3, are below  
10 parity. Exhibit JAE-5 lists the rate of return and relative parity index for each  
11 rate class along with the revenue requirement differential to achieve full parity  
12 at present rates for the Test Year 2010 and the 2011 Subsequent Year  
13 Adjustment. MFR E-1 provides the details supporting these results.

14 **Q. Are there specific factors contributing to the disparities in rates of return**  
15 **among rate classes?**

16 A. Yes. FPL's current rates were initially set over 20 years ago in FPL's last  
17 fully litigated rate case, Docket No. 830465-EI. Since that time customer  
18 rates have been adjusted several times without regards to parity levels. The  
19 implementation of the FPSC-approved 1999 reduction in base rates, for  
20 example, resulted in higher percentage reductions in base revenues for the  
21 larger commercial/industrial (C/I) rate classes. The 1999 rate reduction was  
22 implemented by reducing all energy rates by the same rate factor; therefore,  
23 rate classes with lower than average energy rates, such as large C/I classes,

1 received higher effective percentage reductions in their rates, thereby  
2 exacerbating their disparity relative to other classes. In addition, FPL's  
3 current rate classes in some cases consist of a very limited number of  
4 customers. Customer migration and individual variations in load usage can be  
5 expected to have a larger impact on parity for those rate classes.

6 **Q. Please explain the other results produced in the cost of service study.**

7 A. As previously mentioned, a cost of service study also calculates revenue  
8 requirements or target revenues by rate class. Revenue requirements consist  
9 of a return on rate base plus income taxes and expenses. Thus, revenue  
10 requirements represent the level of revenues required to earn a particular ROR.  
11 In this filing, three sets of projected revenue requirements by rate class have  
12 been developed. One set of revenue requirements, shown in MFR E-6a, is  
13 based on each rate class's projected individual ROR. The second set of  
14 revenue requirements, also presented in MFR E-6a, is based on FPL's  
15 projected retail ROR applied uniformly to each class. The third set of revenue  
16 requirements, shown in MFR E-6b, is based on FPL's requested retail ROR  
17 applied uniformly to each rate class. MFR E-6b provides the target revenue  
18 requirements by rate class and underlying unit costs for each billing  
19 determinant (i.e., demand, energy, and customer) used by FPL witness Deaton  
20 in the rate development process. Exhibit JAE-6 shows target revenue  
21 requirements for each rate class at proposed rates on an equalized basis, that  
22 is, at the retail ROR or at parity. As can be seen on this Exhibit, the total  
23 operating revenues shown on column 4 is the amount shown on MFR A-1.

1           The target revenue requirements shown on column 3 are reported on MFR  
2           E-1.

3  
4           The unit costs by billing determinant shown on MFRs E-6a and E-6b are  
5           derived by dividing the demand, energy, customer and lighting-related  
6           revenue requirements by the appropriate billing determinants. Thus, the cost  
7           of service study provides the basis to determine the demand, energy and  
8           customer unit costs for each rate class. As stated earlier, the rate classes'  
9           target revenue requirements and underlying unit costs at the requested retail  
10          ROR serve as the initial basis in the rate design process which FPL witness  
11          Deaton addresses.

12  
13          Also provided by the cost of service study on MFR E-1, is the impact of the  
14          proposed revenue increase on the ROR and parity index for each rate class.  
15          The proposed revenue increase by rate class used in this MFR is provided on  
16          MFR E-5, sponsored by FPL witness Deaton.

17   **Q.    Does this conclude your direct testimony?**

18   **A.    Yes.**

**MFRS AND SCHEDULES SPONSORED AND CO-SPONSORED BY  
 JOSEPH A. ENDER**

MFR #	PERIOD	TITLE
<b>SOLE SPONSORSHIP:</b>		
E-2	Test Subsequent	Explanation of Variations from Cost of Service Study Approved in Company's Last Rate Case
E-3a	Test Subsequent	Cost of Service Study - Allocation of Rate Base Components to Rate Schedule
E-3b	Test Subsequent	Cost of Service Study - Allocation of Expense Components to Rate Schedule
E-4a	Test Subsequent	Cost of Service Study - Functionalization and Classification of Rate Base
E-4b	Test Subsequent	Cost of Service Study - Functionalization and Classification of Expenses
E-6a	Test Subsequent	Cost of Service Study - Unit Costs, Present Rates
E-6b	Test Subsequent	Cost of Service Study - Unit Costs, Proposed Rates
E-10	Test Subsequent	Cost of Service Study - Development of Allocation Factors
E-17	Historic	Load Research Data

<b>JOINT OR CO-SPONSORSHIP:</b>		
B-2	Historic Prior Test Subsequent	Rate Base Adjustments
B-6	Historic Test Subsequent	Jurisdictional Separation Factors - Rate Base
C-4	Historic Test Subsequent	Jurisdictional Separation Factors - Net Operating Income
E-1	Test Subsequent	Cost of Service Studies
E-9	Test Subsequent	Cost of Service - Load Data
E-11	Test Subsequent	Development of Coincident and Non-Coincident Demands for Cost Study
E-16	Prior Test Subsequent	Customers by Voltage Level
E-19a	Test Subsequent	Demand and Energy Losses
E-19b	Test Subsequent	Energy Losses
E-19c	Test Subsequent	Demand Losses
F-5	Test Subsequent	Forecasting Models

<b>WCEC UNIT 3 SCHEDULES SPONSORED OR CO-SPONSORED:</b>		
B-6	WCEC 3 Adj '11	Jurisdictional Separation Factors - Rate Base
C-4	WCEC 3 Adj '11	Jurisdictional Separation Factors - Net Operating Income

<b>2009 SUPPLEMENTAL MFRS SPONSORED OR CO-SPONSORED:</b>		
B-6	2009 Supplemental	Jurisdictional Separation Factors - Rate Base
C-4	2009 Supplemental	Jurisdictional Separation Factors - Net Operating Income
E-17	2009 Supplemental	Load Research Data
F-5	2009 Supplemental	Forecasting Models

**SUMMARY OF RATE CLASSES CONSOLIDATED FOR LOAD RESEARCH PURPOSES**

RATE CLASS	RATE CLASS DESCRIPTION	RATE SCHEDULE(S)	RATE SCHEDULE DESCRIPTION
<b>RETAIL:</b>			
CILC-1D	Commercial/Industrial Load Control - Distribution	CILC-1D	Commercial/Industrial Load Control Program - Distribution (Closed Schedule)
CILC-1T	Commercial/Industrial Load Control - Transmission	CILC-1T	Commercial/Industrial Load Control Program - Transmission (Closed Schedule)
CILC-1G	Commercial/Industrial Load Control - General	CILC-1G	Commercial/Industrial Load Control Program - General (Closed Schedule)
CS(T)-1	Curtailable Service 1	CS-1, CST-1	Curtailable Service & Time of Use (500-1999 kW)
CS(T)-2	Curtailable Service 2	CS-2, CST-2	Curtailable Service & Time of Use (2000 kW +)
CS(T)-3	Curtailable Service 3	CS-3, CST-3	Curtailable Service & Time of Use (2000 kW +) Transmission
GS(T)-1	General Service Non-Demand	GS-1, GST-1, WIES-1	General Service Non Demand & Time of Use (0-20 kW) and Wireless Internet Electric Service
GSCU-1	General Service Constant Usage	GSCU-1	General Service Constant Usage
GSD(T)-1	General Service Demand	GSD-1, GSDT-1	General Service Demand & Time of Use (21-499 kW)
GSLD(T)-1	General Service Large Demand 1	GSLD-1, GSLDT-1	General Service Large Demand & Time of Use (500-1999 kW)
GSLD(T)-2	General Service Large Demand 2	GSLD-2, GSLDT-2	General Service Large Demand & Time of Use (2000 kW +)
GSLD(T)-3	General Service Large Demand 3	GSLD-3, GSLDT-3	General Service Large Demand & Time of Use (2000 kW +) Transmission
HLFT-1	High Load Factor	HLFT-1	High Load Factor - Time of Use (21-499 kW)
HLFT-2	High Load Factor	HLFT-2	High Load Factor - Time of Use (500-1999 kW)
HLFT-3	High Load Factor	HLFT-3	High Load Factor - Time of Use (2000 kW +)
METRO	Metropolitan Transit Service	MET	Metropolitan Transit Service
OL-1	Outdoor Lighting	OL-1	Outdoor Lighting
OS-2	Sports Field Service	OS-2, RL-1	Sports Field Service & Recreational Lighting
RS(T)-1	Residential Service	RS-1, RST-1	Residential Service & Time of Use
SDTR-1	Seasonal Demand 1	SDTR-1A, SDTR-1B	Seasonal Demand - Time of Use Rider (21-499 kW)
SDTR-2	Seasonal Demand 2	SDTR-2A, SDTR-2B	Seasonal Demand - Time of Use Rider (500-1999 kW)
SDTR-3	Seasonal Demand 3	SDTR-3A, SDTR-3B	Seasonal Demand - Time of Use Rider (2000 kW +)
SL-1	Street Lighting	SL-1, PL-1	Street Lighting & Premium Lighting
SL-2	Traffic Signal Service	SL-2	Traffic Signal Service
SST-1D	Standby and Supplemental Service - Distribution	SST-1D, SST-2D, SST-3D	Standby and Supplemental Service - Distribution
SST-1T	Standby and Supplemental Service - Transmission	SST-1T	Standby and Supplemental Service - Transmission
<b>WHOLESALE:</b>			
FKEC/KW	Florida Keys Electric Cooperative/Key West		
MDWS	Miami-Dade Waste Service		
SEMINOLE	Seminole Electric Cooperative		
LCEC	Lee County Electric Cooperative		

## RATE CLASS EXTRAPOLATION METHODOLOGY

RATE CLASS	RATE CLASS DESCRIPTION	EXTRAPOLATION METHODOLOGY
<b>100% METERED<sup>(1)</sup></b>		
CILC-1D	Commercial/Industrial Load Control - Distribution	Ratio
CILC-1G	Commercial/Industrial Load Control - General	Ratio
CILC-1T	Commercial/Industrial Load Control - Transmission	Mean Per Unit
CS(T)-1	Curtable Service 1	Ratio
CS(T)-2	Curtable Service 2	Mean Per Unit
CS(T)-3	Curtable Service 3	Mean Per Unit
GSLD(T)-2	General Service Large Demand 2	Ratio
GSLD(T)-3	General Service Large Demand 3	Mean Per Unit
HLFT-3	High Load Factor 3	Ratio
METRO	Metropolitan Transit Service	Mean Per Unit
SDTR-2	Seasonal Demand 2	Ratio
SDTR-3	Seasonal Demand 3	Mean Per Unit
SST-D	Standby and Supplemental Service - Distribution	Mean Per Unit
SST-1T	Standby and Supplemental Service - Transmission	Mean Per Unit
FKEC/KW <sup>(2)</sup>	Florida Keys Electric Cooperative/Key West	Mean Per Unit
MDWS <sup>(2)</sup>	Miami-Dade Waste Service	Mean Per Unit
Seminole <sup>(2)</sup>	Seminole Electric Cooperative	Mean Per Unit
LCEC <sup>(2)</sup>	Lee County Electric Cooperative	Mean Per Unit
<b>MODELED</b>		
OL-1	Outdoor Lighting	Mean Per Unit
SL-1	Street Lighting	Mean Per Unit
SL-2	Traffic Signal Service	Mean Per Unit
<b>SAMPLED</b>		
GS(T)-1	General Service Non-Demand	Ratio
GSCU-1	General Service Constant Usage	Ratio
GSD(T)-1	General Service Demand	Ratio
GSLD(T)-1	General Service Large Demand 1	Ratio
HLFT-1	High Load Factor 1	Ratio
HLFT-2	High Load Factor 2	Ratio
OS-2	Sports Field Service	Ratio
RS(T)-1	Residential Service	Ratio
SDTR-1	Seasonal Demand 1	Ratio

(1) The use of extrapolation techniques (Ratio or Mean Per Unit) for 100% metered rate classes is necessary to account for missing interval data resulting from meter, data translation or communication issues. These two methodologies will extrapolate to the population level and, thus, account for any missing interval data.

(2) Wholesale



**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
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**BALANCE SHEET - ASSETS**

**PLANT IN SERVICE**

**INTANGIBLE -**

BAL001000 PIS - INTANGIBLE

Total Labor

LABOR\_TOT

**PRODUCTION -**

**STEAM:**

BAL001100 PIS - STEAM

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

BAL001800 PIS - STEAM - ACQ ADJ SCHERER PLANT 4

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

**NUCLEAR:**

BAL001200 PIS - NUCL - TURKEY PT

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

BAL001220 PIS - NUCL - ST LUCIE 1

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

BAL001250 PIS - NUCL - ST LUCIE COMMON

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

BAL001270 PIS - NUCL - ST LUCIE 2

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

**OTHER PRODUCTION:**

BAL001300 PIS - OTHER PRODUCTION

12CP & 1/13

Compound Allocator -  
 FPL101 - Average 12CP Demand (12/13th)  
 FPL201 - MWH Sales (1/13th)

**TRANSMISSION -**

BAL001400 PIS - TRANSMISSION

12CP & 1/13 adjusted for transmission pulloffs for retail customers

Compound Allocator -  
 FPL301 - Transmission Customers Pull-offs (0.2%)  
 FPL101 - Average 12CP Demand (12/13th of 99.8%)  
 FPL201 - MWH Sales (1/13th of 99.8%)

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
<b>DISTRIBUTION -</b>			
BAL001510	PIS - DIST - ACCT 360 - LAND & LAND RIGHTS	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL001511	PIS - DIST - ACCT 361 - STRUCT & IMPROV	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL001512	PIS - DIST - ACCT 362 - STATION EQUIP	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL001514	PIS - DIST - ACCT 364 - POLES, TOWERS & FIXTURES	Poles, towers and fixtures classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.3%) FPL104 - Distribution GCP Demand (91.8%) FPL105 - Secondary GCP Demand (7.9%)
BAL001515	PIS - DIST - ACCT 365 - OVERHEAD CONDUCT & DEVIC	Overhead conductors and devices classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.2%) FPL104 - Distribution GCP Demand (78.8%) FPL105 - Secondary GCP Demand (21.0%)
BAL001516	PIS - DIST - ACCT 366 - UNDERGROUND CONDUIT	Underground conduit classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (93.9%) FPL105 - Secondary GCP Demand (6.1%)
BAL001517	PIS - DIST - ACCT 367 - UNDERGROUND CONDUCT & DEVIC	Underground conductors and devices classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (88.1%) FPL105 - Secondary GCP Demand (11.9%)
BAL001518	PIS - DIST - ACCT 368 - LINE TRANSFORMERS	Line transformers, capacitors and network protectors classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (10.9%) FPL109 - Secondary Customer NCP Demand (89.1%)
BAL001519	PIS - DIST - ACCT 369 - SERVICES	Average number of secondary voltage level customers for retail only, excluding lighting services.	FPL303 - Average Secondary Customers
BAL001520	PIS - DIST - ACCT 370 - METERS	Average number of meters for the rate class multiplied by the average meter unit cost, excluding lighting services.	FPL325 - Meter Costs
BAL001521	PIS - DIST - ACCT 371 - INSTALLS ON CUST PREMISES	100% assignment to Outdoor Lighting.	FPL509 - Outdoor Lighting
BAL001523	PIS - DIST - ACCT 373 - STREET LIGHTING & SIGNAL EQUIP	The number of lighting fixtures for the Street Lighting classes only.	FPL508 - Street Lights
<b>GENERAL -</b>			
BAL001600	PIS - GENERAL PLT - TRANSPORTATION EQUIP	Total Labor	LABOR_TOT
BAL001710	PIS - GENERAL PLT - STRUCTURES	Total Labor	LABOR_TOT

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
BAL001720	PIS - GENERAL PLT - OTHER	Total Labor	LABOR_TOT
<b>ACCUMULATED PROVISION FOR DEPRECIATION</b>			
<b>INTANGIBLE -</b>			
BAL008000	ACC DEP - INTANGIBLE	Total Labor	LABOR_TOT
BAL008075	ACC DEP - INTANG - ITC INTEREST SYNCH	Total Labor	LABOR_TOT
BAL008090	ACC DEP - INTANG - UNASSIGNED BOTTOM LINE	Total Plant In Service - Gross	PLT_GROSS
<b>PRODUCTION -</b>			
<b>STEAM:</b>			
BAL008100	ACC DEP - STEAM	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
BAL008155	ACC DEP - FOSSIL DECOMMISSIONING	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
BAL009180	ACC DEP - STEAM - AMORT ELECTRIC PLT ACQ ADJ	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>NUCLEAR:</b>			
BAL008200	ACC DEP - NUCL - TURKEY POINT	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
BAL008220	ACC DEP - NUCL - ST LUCIE 1	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
BAL008250	ACC DEP - NUCL - ST LUCIE COM	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
BAL008270	ACC DEP - NUCL - ST LUCIE 2	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>OTHER PRODUCTION:</b>			
BAL008300	ACC DEP - OTHER PRODUCTION	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
BAL008350	ACC DEP - OTHER PROD - DISMANTLEMENT	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>TRANSMISSION -</b>			
BAL008400	ACC DEP - TRANSMISSION	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
<b>DISTRIBUTION -</b>			
BAL008511	ACC DEP - DIST - ACCT 361 - STRUCT & IMPROV	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL008512	ACC DEP - DIST - ACCT 362 - STATION EQUIP	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL008514	ACC DEP - DIST - ACCT 364 - POLES, TOWERS & FIXTURES	Poles, towers and fixtures classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.3%) FPL104 - Distribution GCP Demand (91.8%) FPL105 - Secondary GCP Demand (7.9%)
BAL008515	ACC DEP - DIST - ACCT 365 - OVERHEAD CONDUCT & DEVIC	Overhead conductors and devices classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.2%) FPL104 - Distribution GCP Demand (78.8%) FPL105 - Secondary GCP Demand (21.0%)
BAL008516	ACC DEP - DIST - ACCT 366 - UNDERGROUND CONDUIT	Underground conduit classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (93.9%) FPL105 - Secondary GCP Demand (6.1%)
BAL008517	ACC DEP - DIST - ACCT 367 - UNDERGROUND CONDUCT & DEVIC	Underground conductors and devices classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (88.1%) FPL105 - Secondary GCP Demand (11.9%)
BAL008518	ACC DEP - DIST - ACCT 368 - LINE TRANSFORMERS	Line transformers, capacitors and network protectors classified as demand and functionalized between primary and secondary.	<u>Compound Allocator -</u> FPL104 - Distribution GCP Demand (10.9%) FPL109 - Secondary Customer NCP Demand (89.1%)
BAL008519	ACC DEP - DIST - ACCT 369 - SERVICES	Average number of secondary voltage level customers for retail only, excluding lighting services.	FPL303 - Average Secondary Customers
BAL008520	ACC DEP - DIST - ACCT 370 - METERS	Average number of meters for the rate class multiplied by the average meter unit cost, excluding lighting services.	FPL325 - Meter Costs
BAL008521	ACC DEP - DIST - ACCT 371 - INSTALLS ON CUST PREMISES	100% assignment to Outdoor Lighting.	FPL509 - Outdoor Lighting

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
BAL008523	ACC DEP - DIST - ACCT 373 - STREET LIGHTING & SIGNAL EQUIP	The number of lighting fixtures for the Street Lighting classes only.	FPL508 - Street Lights
<b>GENERAL -</b>			
BAL008600	ACC DEP - GEN PLT - TRANSP EQUIP	Total Labor	LABOR_TOT
BAL008710	ACC DEP - GEN PLT - STRUCTURES	Total Labor	LABOR_TOT
BAL008720	ACC DEP - GEN PLT - OTHER	Total Labor	LABOR_TOT
<b>FUTURE USE PROPERTY</b>			
BAL005100	PLT FUTURE USE - STEAM	Total Plant In Service - Production Steam	P_PLT_STEAM
BAL005200	PLT FUTURE USE - NUCLEAR	Total Plant In Service - Production Nuclear	P_PLT_NUC
BAL005300	PLT FUTURE USE - OTHER PRODUCTION	Total Plant In Service - Other Production	P_PLT_OTH
BAL005400	PLT FUTURE USE - TRANSMISSION	Total Plant In Service - Transmission	T_PLT_TOT
BAL005500	PLT FUTURE USE - DISTRIBUTION	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
BAL005700	PLT FUTURE USE - GENERAL	Total Plant In Service - General	PLT_GENERAL
<b>CWIP</b>			
<b>INTANGIBLE -</b>			
BAL007000	CWIP - INTANGIBLE	Total Labor	LABOR_TOT
<b>PRODUCTION -</b>			
<b>STEAM:</b>			
BAL007100	CWIP - STEAM	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>NUCLEAR:</b>			
BAL007200	CWIP - NUCLEAR	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>OTHER PRODUCTION:</b>			
BAL007300	CWIP - OTHER PRODUCTION	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>TRANSMISSION -</b>			

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
BAL007400	CWIP - TRANSMISSION	12CP & 1/13 adjusted for transmission pullofts for retail customers	<b>Compound Allocator -</b> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
<b>DISTRIBUTION -</b>			
BAL007500	CWIP - DISTRIBUTION	Total Distribution Plant excluding meters and transformers.	D_PLTEXMTRTX
<b>GENERAL -</b>			
BAL007600	CWIP - GENERAL PLANT	Total Labor	LABOR_TOT
<b>NUCLEAR FUEL</b>			
BAL020600	NUCLEAR FUEL UNDER CAPITAL LEASES	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
<b>WORKING CAPITAL (ASSETS)</b>			
<b>CURRENT AND ACCRUED -</b>			
BAL244000	ACCUM PROVISION FR UNCOLLECTIBLE ACCTS	The 12 month actual Uncollectibles.	FPL205 - Uncollectibles
BAL251000	FUEL STOCK	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
BAL254100	PLANT MATERIALS & OPERATING SUPPLIES	Total Plant In Service - Gross	PLT_GROSS
BAL265600	PREPAYMENTS - INTEREST PAPER & DEBT	Total Plant In Service - Gross	PLT_GROSS
BAL275000	MISC CURR & ACCR ASSETS - DERIVATIVES	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
ALL OTHER		Total O&M Expenses	OM_TOT
<b>DEFERRED DEBITS -</b>			
BAL382315	OTHER REG ASSETS - NUCLEAR G/U CARRYING COSTS	Total Plant In Service - Production Nuclear	P_PLT_NUC
BAL382321	OTHER REG ASSETS - DERIVATIVES	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
BAL382351	OTHER REG ASSETS - STORM SECURIZATION - BONDS	Plant In Service - Transmission & Distribution	PLT_TD
BAL382352	OTHER REG ASSETS - STORM SECURIZATION - DEFERRED TAX	Plant In Service - Transmission & Distribution	PLT_TD
BAL386190	MISC DEFD DEB - DEFD PENSION DEBIT	Total Labor	LABOR_TOT
BAL386415	MISC DEFD DEB - SJRPP	Total Plant In Service - Production Steam	P_PLT_STEAM
ALL OTHER		Total O&M Expenses	OM_TOT

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
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**BALANCE SHEET - LIABILITIES**

**PROPRIETARY CAPITAL**

**LONG-TERM DEBT**

**OTHER NONCURRENT LIABILITIES**

BAL628200	ACCUM PROV INJURIES & DAMAGES - WORKERS COMPENSATION	Total Labor	LABOR_TOT
BAL628370	ACCUM PROV PEN/BENFS - POST RETIREMENT BENEFITS	Total Labor	LABOR_TOT
BAL628411	ACC MISC OPER PROV - NUCLEAR MAINT RESERVE	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
BAL628430	ACC MISC OPER PROV - DEFD COMPENSATION	Total Labor	LABOR_TOT
ALL OTHER		Total O&M Expenses	OM_TOT

**WORKING CAPITAL (LIABILITIES)**

**CURRENT AND ACCRUED LIABILITIES -**

BAL736205	TAXES ACCRUED - CITY & COUNTY REAL & PERSONAL PROPERTY	Total Plant In Service - Net	PLT_NET
BAL737151	INTEREST ACCRUED ON LONG - TERM DEBT - STORM SECURIZATION	Plant In Service - Transmission & Distribution	PLT_TD
BAL742720	MISC CURR & ACC LIAB - NUCL ASS D&D - CURRENT	Total Plant In Service - Production Nuclear	P_PLT_NUC
BAL742800	MISC CURR & ACC LIAB - POLE ATTACHMENT RENTALS	Poles, towers and fixtures classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<b>Compound Allocator -</b> FPL302 - Primary Customers Pull-offs (0.3%) FPL104 - Distribution GCP Demand (91.8%) FPL105 - Secondary GCP Demand (7.9%)
BAL744000	MISC CURR & ACC LIAB - DERIVATIVES LIABILITY	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
ALL OTHER		Total O&M Expenses	OM_TOT

**DEFERRED CREDITS -**

BAL853182	OTHER DEFD CREDITS - STORM LIABILITIES	Total Plant In Service - Gross	PLT_GROSS
BAL853250	OTHER DEFD CREDITS - DEFD SJRPP INTEREST	Total Plant In Service - Production Steam	P_PLT_STEAM
BAL854401	OTHER REG LIAB - NUCLEAR AMORTIZATION	Total Plant In Service - Production Nuclear	P_PLT_NUC
ALL OTHER		Total O&M Expenses	OM_TOT

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
<b>INCOME STATEMENT</b>			
<b>OPERATING REVENUES</b>			
<b>SALES OF ELECTRICITY -</b>			
INC040000	RETAIL SALES - BASE REVENUES	Retail Base Revenues.	FPL401 - Base Revenues
INC040350	GROSS RECEIPTS TAX REVENUES	Retail Base Revenues.	FPL401 - Base Revenues
INC040420	CILC INCENTIVES OFFSET	Incentive revenue offset dollars, collected through ECCR, for each of the CILC and ISST customers.	FPL402 - LOAD CONTROL INCENTIVE OFFSET
INC056920	OTHER ELECTRIC REVS - UNBILLED REVENUES - FPSC	Retail Base Revenues.	FPL401 - Base Revenues
<b>OTHER OPERATING REVENUES -</b>			
INC050400	FIELD COLLECTION LATE PAYMENT CHARGES	Projected field collections charge (account 450.400) and late payment charge (account 450.500) by rate class.	FPL311 - MISC SERV REVS - FIELD COLLECTION - LATE PAYMENT
INC051010	MISC SERVICE REVS - INITIAL CONNECTION	Projected initial service charge (account 451.000) by rate class.	FPL312 - MISC SERV REVS - INITIAL CONNECTION
INC051020	MISC SERVICE REVS - RECONNECT AFTER NON PAYMENT	Projected reconnect charge (account 451.000) by rate class.	FPL313 - MISC SERV REVS - RECONNECTION
INC051030	MISC SERVICE REVS - CONNECT / DISCONNECT	Projected connection service charge (account 451.000) by rate class.	FPL314 - MISC SERV REVS - CONNECTION OF EXISTING ACCOUNT
INC051040	MISC SERVICE REVS - RETURNED CUSTOMER CHECKS	Projected returned check charges by rate class.	FPL315 - Misc Serv Revs - Returned Check Charges
INC051050	MISC SERVICE REVS - CURRENT DIVERSION PENALTY	Projected current diversion charges (account 451.000) by rate class.	FPL316 - MISC SERV REVS - CURRENT DIVERSION
INC051060	MISC SERVICE REVS - OTHER BILLINGS	Miscellaneous Service Revenues	MISC_SVC_REV
INC051100	MISC SERVICE REVS - OTH REIMBURSEMENTS	Total Distribution Plant In Service	D_PLT_TOT
INC054000	RENT FROM ELECT PROP - GENERAL	Telephone and cable TV rental income allocated based on "Account 364 - Poles, Towers & Fixtures". Other rental income is allocated based on "Gross Plant".	<b>Compound Allocator -</b> FPL104 - Distribution GCP Demand (56.6%) FPL101 - Average 12CP Demand (28.1%) FPL105 - Secondary GCP Demand (5.0%) FPL109 - Secondary Customer NCP Demand (3.2%) FPL201 - MWH Sales (2.9%) Other Allocators (4.2%)
INC054100	RENT FROM ELECT PROP - FUTURE USE & PLT IN SERV & STORAGE	Total Plant In Service - Net	PLT_NET



**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC054400	RENT FROM ELECT PROP - POLE ATTACHMENTS	Poles, towers and fixtures classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<b>Compound Allocator -</b> FPL302 - Primary Customers Pull-offs (0.3%) FPL104 - Distribution GCP Demand (91.8%) FPL105 - Secondary GCP Demand (7.9%)
INC056130	OTHER ELECTRIC REVS - TRANSMISSION	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC056700	OTHER ELECTRIC REVS - MISC	Total O&M Expenses	OM_TOT
<b>OPERATION AND MAINTENANCE EXPENSES</b>			
<b>POWER PRODUCTION EXPENSES -</b>			
<b>STEAM POWER GENERATION:</b>			
INC100000	STEAM POWER - OPERATION SUPERVISION & ENGINEERING	Classified between demand and energy on the basis of the relative proportions of labor costs contained in accounts 501 thru 507.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (94.4%) FPL201 - MWH Sales (5.6%)
INC101110	STEAM POWER - FUEL - OIL, GAS & COAL	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC101210	STEAM POWER - FUEL - NON RECOVERABLE OIL	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC102000	STEAM POWER - STEAM EXP	Labor amount in account 502 is classified as demand. The remainder in account 502 is classified as energy.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (52.7%) FPL201 - MWH Sales (47.3%)
INC105000	STEAM POWER - ELECTRIC EXP	Labor amount in account 505 is classified as demand. The remainder in account 505 is classified as energy.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (79.7%) FPL201 - MWH Sales (20.3%)
INC106000	STEAM POWER - MISC STEAM POWER EXP	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC106310	STEAM POWER - MISC - ADDITIONAL SECURITY	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC107000	STEAM POWER - RENTS	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC110000	STEAM POWER - MAINT SUPERVISION & ENGINEERING	Classified between demand and energy on the basis of the relative proportions of labor costs contained in accounts 511 thru 514.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (2.9%) FPL201 - MWH Sales (97.1%)
1 INC111000	STEAM POWER - MAINTENANCE OF STRUCTURES	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC112000	STEAM POWER - MAINT OF BOILER PLANT	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC113000	STEAM POWER - MAINT OF ELECTRIC PLANT	MWH Sales, adjusted for losses.	FPL201 - MWH Sales

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC114000	STEAM POWER - MAINT OF MISCELLANEOUS STEAM PLT	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
<b>NUCLEAR POWER GENERATION:</b>			
INC117000	NUCL POWER - OPERATION SUPERVISION & ENGINEERING	Classified between demand and energy on the basis of the relative proportions of labor costs contained in accounts 518 thru 525.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (99.5%) FPL201 - MWH Sales (0.5%)
INC118160	NUCL POWER - NUC FUEL EXP - ADDITIONAL SECURITY	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC118210	NUCL POWER - NUC FUEL EXP - NON RECOVERABLE FUEL EXP	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC119000	NUCL POWER - COOLANTS AND WATER	Labor amount in account 519 is classified as demand. The remainder in account 519 is classified as energy.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (31.3%) FPL201 - MWH Sales (68.7%)
INC120000	NUCL POWER - STEAM EXP	Labor amount in account 520 is classified as demand. The remainder in account 520 is classified as energy.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (71.0%) FPL201 - MWH Sales (29.0%)
INC123000	NUCL POWER - ELECTRIC EXP	Labor amount in account 523 is classified as demand. The remainder in account 523 is classified as energy.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (0.0%) FPL201 - MWH Sales (100.0%)
INC124000	NUCL POWER - MISC NUCLEAR POWER EXP	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC128000	NUCL POWER - MAINT SUPERVISION & ENGINEERING	Classified between demand and energy on the basis of the relative proportions of labor costs contained in accounts 529 thru 532.	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (0.1%) FPL201 - MWH Sales (99.9%)
INC129000	NUCL POWER - MAINT OF STRUCTURES	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC130000	NUCL POWER - MAINT OF REACTOR PLANT	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
1 INC131000	NUCL POWER - MAINTENANCE OF ELECTRIC PLANT	MWH Sales, adjusted for losses	FPL201 - MWH Sales
INC132000	NUCL POWER - MAINT OF MISC NUCLEAR PLANT	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
<b>OTHER POWER GENERATION:</b>			
INC146000	OTH POWER - OPERATION SUPERVISION & ENGINEERING	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC147200	OTH POWER - FUEL -NON RECOVERABLE ANNUAL EMISSIONS FEE	MWH Sales, adjusted for losses.	FPL201 - MWH Sales
INC148000	OTH POWER - GENERATION EXP	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC149000	OTH POWER - MISC OTHER POWER GENERATION EXP	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC151000	OTH POWER - MAINT SUPERVISION & ENGINEERING	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC152000	OTH POWER - MAINT OF STRUCTURES	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC153000	OTH POWER - MAINT GENERATING & ELECTRIC PLANT	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC154000	OTH POWER - MAINT MISC OTHER POWER GENERATION	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
<b>OTHER POWER SUPPLY:</b>			
INC155250	OTH POWER - SJRPP - FPSC - 88TSR	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC156000	OTH POWER - SYSTEM CONTROL AND LOAD DISPATCHING	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
INC157000	OTH POWER - OTHER EXP	Average 12 CP Demands, adjusted for losses.	FPL101 - Average 12CP Demand
<b>TRANSMISSION EXPENSES -</b>			
INC260010	TRANS EXP - OPERATION SUPERVISION & ENGINEERING	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<b>Compound Allocator -</b> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
INC261000	TRANS EXP - LOAD DISPATCHING	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC262000	TRANS EXP - STATION EXP	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC263000	TRANS EXP - OVERHEAD LINE EXP	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<b>Compound Allocator -</b> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
INC265000	TRANS EXP - TRANSMISSION OF ELECTRICITY BY OTHERS	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC265200	TRANS EXP - TRANSMISSION OF ELECTRICITY - RTO	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC266000	TRANS EXP - MISC TRANS EXP	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<b>Compound Allocator -</b> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC268010	TRANS EXP - MAINT SUPERVISION & ENGINEERING	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
INC269000	TRANS EXP - MAINT OF STRUCTURES	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC270000	TRANS EXP - MAINT OF STATION EQUIP	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC271000	TRANS EXP - MAINT OF OVERHEAD LINES	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
INC272000	TRANS EXP - MAINT OF UNDERGROUND LINES	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
INC273000	TRANS EXP - MAINT OF MISC TRANS PLANT	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
<b>DISTRIBUTION EXPENSES -</b>			
INC380000	DIST EXP - OPERATION SUPERVISION AND ENGINEERING	Total Distribution Plant In Service	D_PLT_TOT
INC381000	DIST EXP - LOAD DISPATCHING	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC382000	DIST EXP - SUBSTATION EXP	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC383000	DIST EXP - OVERHEAD LINE EXP	The overhead amount in plant acct 369 (Services) is divided by the total of the balances in plant accts 364 and 365 and the overhead amount in acct 369. This ratio is multiplied times the balance in acct 583 and is classified as services. The remainder is classified as demand (either primary or secondary based on the ratio of primary and secondary in plant accts 364 and 365).	<u>Compound Allocator -</u> FPL303 - Average Secondary Customers (8.2%) FPL104 - Distribution GCP Demand (77.5%) FPL105 - Secondary GCP Demand (14.3%)

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC384000	DIST EXP - UNDERGROUND LINE EXP	The underground amount in plant acct 369 (Services) is divided by the total of the balances in plant accts 366 and 367 and the underground amount in plant acct 369. This ratio is multiplied times the balance in acct 584 and is classified as services. The remainder is classified as demand (either primary or secondary based on the ratio of primary and secondary in plant accts 366 and 367).	<u>Compound Allocator -</u> FPL303 - Average Secondary Customers (18.1%) FPL104 - Distribution GCP Demand (74.0%) FPL105 - Secondary GCP Demand (7.9%)
INC385000	DIST EXP - STREET LIGHTING AND SIGNAL SYSTEM EXP	The number of lighting fixtures for the Street Lighting classes only.	FPL508 - Street Lights
INC386000	DIST EXP - METER EXP	Average number of meters for the rate class multiplied by the average meter unit cost, excluding lighting services.	FPL325 - Meter Costs
INC387000	DIST EXP - CUSTOMER INSTALLATIONS EXP	Outdoor Lighting installation expenses classified as lighting. The remainder is classified as customer.	<u>Compound Allocator -</u> FPL509 - Outdoor Lighting (48.0%) FPL310 - Average Distribution Customers - Retail (52.0%)
INC388000	DIST EXP - MISCELLANEOUS DISTRIBUTION EXP	Total Distribution Plant In Service	D_PLT_TOT
INC389000	DIST EXP - RENTS	Total Distribution Plant In Service	D_PLT_TOT
INC390000	DIST EXP - MAINT SUPERVISION AND ENGINEERING	Total Distribution Plant In Service	D_PLT_TOT
INC391000	DIST EXP - MAINT OF STRUCTURES	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC392000	DIST EXP - MAINT OF STATION EQUIP	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC393000	DIST EXP - MAINT OF OVERHEAD LINES	The overhead amount in plant acct 369 (Services) is divided by the total of the balances in plant accts 364 and 365 and the overhead amount in acct 369. This ratio is multiplied times the balance in acct 593 and is classified as services. The remainder is classified as demand (either primary or secondary based on the ratio of primary and secondary in plant accts 364 and 365).	<u>Compound Allocator -</u> FPL303 - Average Secondary Customers (8.2%) FPL104 - Distribution GCP Demand (77.5%) FPL105 - Secondary GCP Demand (14.3%)
INC394000	DIST EXP - MAINT OF UNDERGROUND LINES	The underground amount in plant acct 369 (Services) is divided by the total of the balances in plant accts 366 and 367 and the underground amount in plant acct 369. This ratio is multiplied times the balance in acct 594 and is classified as services. The remainder is classified as demand (either primary or secondary based on the ratio of primary and secondary in plant accts 366 and 367).	<u>Compound Allocator -</u> FPL303 - Average Secondary Customers (18.1%) FPL104 - Distribution GCP Demand (74.0%) FPL105 - Secondary GCP Demand (7.9%)

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC395000	DIST EXP - MAINT OF LINE TRANSFORMERS	Line transformers, capacitors and network protectors classified as demand and functionalized between primary and secondary.	<b>Compound Allocator -</b> FPL104 - Distribution GCP Demand (10.9%) FPL109 - Secondary Customer NCP Demand (89.1%)
INC396000	DIST EXP - MAINT OF STREET LIGHTING & SIGNAL SYSTEMS	The number of lighting fixtures for the Street Lighting classes only.	FPL508 - Street Lights
INC397000	DIST EXP - MAINT OF METERS	Average number of meters for the rate class multiplied by the average meter unit cost, excluding lighting services.	FPL325 - Meter Costs
INC398000	DIST EXP - MAINT OF MISC DISTRIBUTION PLANT	Outdoor lights maintenance in acct 598 is assigned to outdoor lighting. The remainder is allocated based on distribution plant in service.	<b>Compound Allocator -</b> FPL509 - Outdoor Lighting (29.3%) Plant In Service - Distribution (70.7%)
<b>CUSTOMER ACCOUNTS EXPENSES -</b>			
INC401000	CUST ACCT EXP - SUPERVISION	Based on the allocation of Customers Account Expense accounts (INC402000, INC403000, INC404000 & INC405000).	CA_ACCTS_SUPER
INC402000	CUST ACCT EXP - METER READING EXP	Average number of customers multiplied by average meter and SDDR material unit cost. The non-metered rate classes are zero.	FPL330 - Meter and SDDR Material Costs
INC403000	CUST ACCT EXP - CUSTOMER RECORDS AND COLLECTION EXP	Average number of customers for retail rate classes only.	FPL356 - Average Customers
INC404000	CUST ACCT EXP - UNCOLLECTIBLE ACCTS	The 12 month actual Uncollectibles.	FPL205 - Uncollectibles
<b>CUSTOMER SERVICE &amp; INFORMATIONAL EXP -</b>			
INC407000	CUST SERV & INFO - SUPERVISION	Average number of customers for retail rate classes only.	FPL356 - Average Customers
INC408000	CUST SERV & INFO - CUST ASSISTANCE EXP	Average number of customers for retail rate classes only.	FPL356 - Average Customers
INC409000	CUST SERV & INFO - INFO & INST ADV - GENERAL	Average number of customers for retail rate classes only.	FPL356 - Average Customers
INC410000	CUST SERV & INFO - MISC CUST SERVICE & INFO EXP	Average number of customers for retail rate classes only.	FPL356 - Average Customers
<b>SALES EXPENSES -</b>			
INC411000	SUPERVISION-SALES EXP	Average number of customers for retail rate classes only.	FPL356 - Average Customers
INC516000	MISCELLANEOUS AND SELLING EXP	Average number of customers for retail rate classes only.	FPL356 - Average Customers
<b>ADMINISTRATIVE AND GENERAL EXPENSES -</b>			
INC520010	A&G EXP - SALARIES	Total Labor	LABOR_TOT
INC521000	A&G EXP - OFFICE SUPPLIES AND EXP	Total Labor	LABOR_TOT
INC522000	A&G EXP - ADMINISTRATIVE EXP TRANSFERRED CR.	Total Labor	LABOR_TOT

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC523000	A&G EXP - OUTSIDE SERVICES EMPLOYED	Total Labor	LABOR_TOT
INC524000	A&G EXP - PROPERTY INSURANCE	Total Plant In Service - Gross	PLT_GROSS
INC525000	A&G EXP - INJURIES AND DAMAGES	Total Labor	LABOR_TOT
INC526100	A&G EXP - EMP PENSIONS & BENEFITS	Total Labor	LABOR_TOT
INC526110	A&G EXP - EMP PENSIONS & BENEFITS - FUEL	Total Labor	LABOR_TOT
INC528010	A&G EXP - REGULATORY COMMISSION EXPENSE - FPSC	Total Labor	LABOR_TOT
INC530000	A&G EXP - MISC GENERAL EXP	Total Labor	LABOR_TOT
INC531000	A&G EXP - RENTS	Total Labor	LABOR_TOT
INC535000	A&G EXP - MAINT OF GENERAL PLANT	Total Plant In Service - General	PLT_GENERAL
<b>DEPRECIATION EXPENSES</b>			
<b>INTANGIBLE -</b>			
INC603000	DEPR EXP - INTANGIBLE	Total Labor	LABOR_TOT
INC603001	DEPR EXP - INTANGIBLE - ASSET RETIR OBLIG	Total Labor	LABOR_TOT
<b>PRODUCTION -</b>			
<b>STEAM:</b>			
INC603010	DEPR EXP - STEAM	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC603011	DEPR EXP - FOSSIL DECOMMISSIONING	Total Plant In Service - Production Steam	P_PLT_STEAM
INC603980	DEPR EXP - AMORT OF ELECTRIC PLANT - ACQ ADJUSTMENT	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>NUCLEAR:</b>			
INC603020	DEPR EXP - TURKEY POINT	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)

**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC603022	DEPR EXP - ST LUCIE 1	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC603024	DEPR EXP - ST LUCIE COMMON	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC603026	DEPR EXP - ST LUCIE 2	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>OTHER PRODUCTION:</b>			
INC603030	DEPR EXP - OTHER PRODUCTION	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC603036	DEPR EXP - OTHER PRODUCTION - DISMANTLEMENT	12CP & 1/13	<u>Compound Allocator -</u> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>TRANSMISSION -</b>			
INC603041	DEPR EXP - TRANSMISSION	12CP & 1/13 adjusted for transmission pulloffs for retail customers	<u>Compound Allocator -</u> FPL301 - Transmission Customers Pull-offs (0.2%) FPL101 - Average 12CP Demand (12/13th of 99.8%) FPL201 - MWH Sales (1/13th of 99.8%)
<b>DISTRIBUTION -</b>			
INC603051	DEPR EXP - DIST - ACCT 361 - STRUCT & IMPROV	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC603052	DEPR EXP - DIST - ACCT 362 - STATION EQUIP	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand
INC603054	DEPR EXP - DIST - ACCT 364 - POLES, TOWERS & FIXTURES	Poles, towers and fixtures classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.3%) FPL104 - Distribution GCP Demand (91.8%) FPL105 - Secondary GCP Demand (7.9%)
INC603055	DEPR EXP - DIST - ACCT 365 - OVERHEAD CONDUCT & DEVIC	Overhead conductors and devices classified as demand and functionalized between primary and secondary, adjusted for distribution pulloffs for primary and secondary customers.	<u>Compound Allocator -</u> FPL302 - Primary Customers Pull-offs (0.2%) FPL104 - Distribution GCP Demand (78.8%) FPL105 - Secondary GCP Demand (21.0%)



**COST OF SERVICE STUDY  
COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC603056	DEPR EXP - DIST - ACCT 366 - UNDERGROUND CONDUIT	Underground conduit classified as demand and functionalized between primary and secondary.	<u>Compound Allocator</u> - FPL104 - Distribution GCP Demand (93.9%) FPL105 - Secondary GCP Demand (6.1%)
INC603057	DEPR EXP - DIST - ACCT 367 - UNDERGROUND CONDUCT & DEVIC	Underground conductors and devices classified as demand and functionalized between primary and secondary.	<u>Compound Allocator</u> - FPL104 - Distribution GCP Demand (88.1%) FPL105 - Secondary GCP Demand (11.9%)
INC603058	DEPR EXP - DIST - ACCT 368 - LINE TRANSFORMERS	Line transformers, capacitors and network protectors classified as demand and functionalized between primary and secondary.	<u>Compound Allocator</u> - FPL104 - Distribution GCP Demand (10.9%) FPL109 - Secondary Customer NCP Demand (89.1%)
INC603059	DEPR EXP - DIST - ACCT 369 - SERVICES	Average number of secondary voltage level customers for retail only, excluding lighting services.	FPL303 - Average Secondary Customers
INC603060	DEPR EXP - DIST - ACCT 370 - METERS	Average number of meters for the rate class multiplied by the average meter unit cost, excluding lighting services.	FPL325 - Meter Costs
INC603061	DEPR EXP - DIST - ACCT 371 - INSTALLS ON CUST PREMISES	100% assignment to Outdoor Lighting.	FPL509 - Outdoor Lighting
INC603063	DEPR EXP - DIST - ACCT 373 - STREET LIGHTING & SIGNAL EQUIP	The number of lighting fixtures for the Street Lighting classes only.	FPL508 - Street Lights
<b>GENERAL -</b>			
INC603091	DEPR EXP - GENERAL - STRUCTURES	Total Labor	LABOR_TOT
INC603093	DEPR EXP - GENERAL - OTHER	Total Labor	LABOR_TOT
<b>NUCLEAR DECOMMISSIONING EXPENSE -</b>			
INC603310	DEPR EXP - NUCL DECOM	12CP & 1/13	<u>Compound Allocator</u> - FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC603371	DEPR EXP - NUCL DECOM - ASSET RETIR OBLIG	12CP & 1/13	<u>Compound Allocator</u> - FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
<b>AMORT OF PROPERTY LOSSES, UNRECOVERED PLANT &amp; REGULATORY STUDY COSTS</b>			
INC605000	ACCRETION EXPENSE - ASSET RETIR OBLIG REGULATORY DEBIT	Total Labor	LABOR_TOT
INC607000	AMORT OF PROP LOSSES, UNRECOV PLT & REGUL STUDY COSTS	Adjusted Rate Base	RATE_BASE
INC607143	REGULATORY CREDIT - ASSET RETIR OBLIG	Total Labor	LABOR_TOT

**COST OF SERVICE STUDY**  
**COST OF SERVICE METHODOLOGY BY COMPONENT**

COSS ID	Description	COSS Methodology	Allocator
INC607360	AMORTIZATION OF NUCLEAR RESERVE	12CP & 1/13	<b>Compound Allocator -</b> FPL101 - Average 12CP Demand (12/13th) FPL201 - MWH Sales (1/13th)
INC607365	AMORTIZATION OF DBT DEFERRED SECURITY	Total O&M Expenses	OM_TOT
<b>TAXES OTHER THAN INCOME TAXES</b>			
INC608100	TAX OTHER THAN INC TAX - UTILITY OPERAT INCOME CLEARING	Total Plant In Service - Net	PLT_NET
INC608105	TAX OTHER TH INC TAX - REAL & PERS PROPERTY TAX	Total Plant In Service - Net	PLT_NET
INC608115	TAX OTHER TH INC TAX - FEDERAL UNEMPLOYMENT TAXES	Total Labor	LABOR_TOT
INC608120	TAX OTHER TH INC TAX - STATE UNEMPLOYMENT TAXES	Total Labor	LABOR_TOT
INC608125	TAX OTHER TH INC TAX - FICA (SOCIAL SECURITY)	Total Labor	LABOR_TOT
INC608135	TAX OTHER TH INC TAX - REG ASSESS FEE - RETAIL BASE	Retail Base Revenues.	FPL401 - Base Revenues
<b>INCOME TAXES</b>			
INC609100	INCOME TAXES - UTILITY OPER INCOME - CURRENT FEDERAL	Pretax Book Income	PRETAX_INC
INC609110	INCOME TAXES - UTILITY OPER INCOME - CURRENT STATE	Pretax Book Income	PRETAX_INC
<b>PROVISION FOR DEFERRED INCOME TAXES</b>			
INC610000	INCOME TAXES - DEFD FEDERAL	Pretax Book Income	PRETAX_INC
INC611000	INCOME TAXES - DEFD STATE	Pretax Book Income	PRETAX_INC
<b>INVESTMENT TAX CREDIT</b>			
INC611450	AMORTIZATION OF INVESTMENT TAX CREDIT	Total Plant In Service - Net	PLT_NET
<b>GAINS (LOSSES) FROM DISPOSITIONS</b>			
INC611600	GAIN FROM DISP OF UTILITY PLANT	GCP demand, adjusted for losses, for loads at Primary and Secondary voltage levels only.	FPL104 - Distribution GCP Demand

**Rates of Return and Parity at Present Rates**  
For the Test Year 2010  
(\$ Millions)

(1)	(2)	(3)	(4)	(6)	(7)	(8)
Rate Class	Revenues from Sales - at Present Rates					
	Achieved Revenues <sup>(1)</sup>	Rate of Return (ROR) <sup>(1)</sup>	Parity Index <sup>(1)</sup>	Equalized Revenue Requirements <sup>(2)</sup>	Revenue Excess/ (Deficiency) (2) - (6)	Percent Difference (7) / (2)
<b>Above Parity -</b>						
RS(T)-1	\$2,315.9	4.5%	107%	\$2,269.1	\$46.9	2.0%
GS(T)-1	289.9	6.4%	150%	252.9	37.0	12.8%
SL-1	68.9	4.3%	102%	68.7	0.3	0.4%
All Other (5 Classes)	24.0	N/A	N/A	20.7	3.3	13.8%
<b>Below Parity -</b>						
GSD(T)-1	\$741.5	4.1%	96%	\$750.7	(\$9.2)	-1.2%
GSLD(T)-1	141.7	2.5%	58%	163.5	(21.8)	-15.4%
HLFT-2	115.4	1.5%	34%	145.6	(30.1)	-26.1%
CILC-1D	71.4	2.9%	67%	79.4	(8.0)	-11.2%
HLFT-1	34.8	3.3%	79%	37.3	(2.5)	-7.1%
CILC-1T	25.2	2.7%	64%	28.1	(2.8)	-11.2%
HLFT-3	23.5	1.5%	35%	29.5	(6.0)	-25.5%
GSLD(T)-2	20.9	2.8%	66%	23.4	(2.5)	-11.8%
SDTR-2	15.5	2.3%	53%	18.3	(2.8)	-17.9%
SDTR-1	15.4	3.8%	90%	15.9	(0.5)	-3.2%
All Other (7 Classes)	16.8	N/A	N/A	18.1	(1.2)	-7.3%
Total Revenues from Sales	<u>\$3,920.9</u>	4.3%	100%	<u>\$3,920.9</u>	<u>\$0.0</u>	100%
Misc Service Charges	76.2			76.2		
Other Operating Revenues	117.6			117.6		
Total Operating Revenues	<u>\$4,114.7</u>			<u>\$4,114.7</u>		

**Notes:**

(1) Provided on MFR E-1, Achieved at Present Rates.

(2) Provided on MFR E-1, Equalized at Present Rates.

N/A = Not Applicable

Totals may not add due to rounding.

**Rates of Return and Parity at Present Rates**  
For the Subsequent Year 2011  
(\$ Millions)

(1)	(2)	(3)	(4)	(6)	(7)	(8)
Rate Class	Revenues from Sales - at Present Rates					
	Achieved Revenues <sup>(1)</sup>	Rate of Return (ROR) <sup>(1)</sup>	Parity Index <sup>(1)</sup>	Equalized Revenue Requirements <sup>(2)</sup>	Revenue Excess/ (Deficiency) (2) - (6)	Percent Difference (7) / (2)
<b>Above Parity -</b>						
RS(T)-1	\$2,327.0	4.0%	107%	\$2,286.5	\$40.5	1.7%
GS(T)-1	298.2	5.5%	149%	264.0	34.2	11.5%
SL-1	70.8	4.1%	111%	69.4	1.5	2.1%
All Other (5 Classes)	23.9	N/A	N/A	20.9	3.0	12.5%
<b>Below Parity -</b>						
GSD(T)-1	\$763.0	3.6%	96%	\$770.6	(\$7.6)	-1.0%
GSLD(T)-1	144.7	2.1%	58%	165.0	(20.2)	-14.0%
HLFT-2	119.9	1.3%	35%	148.0	(28.1)	-23.4%
CILC-1D	71.4	2.5%	69%	78.3	(6.9)	-9.7%
HLFT-1	35.8	2.9%	79%	38.0	(2.2)	-6.2%
CILC-1T	25.3	2.5%	66%	27.6	(2.4)	-9.3%
HLFT-3	24.3	1.3%	36%	29.8	(5.5)	-22.6%
GSLD(T)-2	21.7	2.4%	66%	24.1	(2.4)	-10.9%
SDTR-2	16.0	2.0%	53%	18.5	(2.6)	-16.1%
SDTR-1	16.0	3.4%	92%	16.3	(0.4)	-2.2%
All Other (7 Classes)	17.0	N/A	N/A	17.9	(1.0)	-5.7%
<b>Total Revenues from Sales</b>	<b>\$3,974.9</b>	<b>3.7%</b>	<b>100%</b>	<b>\$3,974.9</b>	<b>\$0.0</b>	<b>100%</b>
Misc Service Charges	77.5			77.5		
Other Operating Revenues	122.6			122.6		
<b>Total Operating Revenues</b>	<b>\$4,175.0</b>			<b>\$4,175.0</b>		

**Notes:**

- (1) Provided on MFR E-1, Achieved at Present Rates.  
(2) Provided on MFR E-1, Equalized at Present Rates.  
N/A = Not Applicable

Totals may not add due to rounding.

**Target Revenue Requirements at Proposed Rates**  
**For the Test Year 2010**  
**(\$ Millions)**

(1)  Rate Class	(2) Achieved Revenues from Sales <sup>(1)</sup>	(3) Target Revenue Requirements <sup>(2)</sup>	(4) Revenue Requirements Deficiency (3) - (2)	(5) Percent Difference (4) / (2)
RS(T)-1	\$2,315.9	\$2,798.7	\$482.8	20.8%
GSD(T)-1	741.5	955.7	214.2	28.9%
GS(T)-1	289.9	308.2	18.3	6.3%
GSLD(T)-1	141.7	211.5	69.8	49.3%
HLFT-2	115.4	188.7	73.3	63.5%
CILC-1D	71.4	101.7	30.4	42.6%
SL-1	68.9	82.2	13.2	19.2%
HLFT-1	34.8	47.6	12.8	36.7%
CILC-1T	25.2	35.2	10.0	39.5%
HLFT-3	23.5	38.2	14.7	62.6%
GSLD(T)-2	20.9	30.1	9.2	44.0%
SDTR-2	15.5	23.8	8.2	53.0%
SDTR-1	15.4	20.3	4.9	32.1%
All Other (12 Classes)	40.8	47.2	6.4	15.6%
Total Revenues from Sales	<u>\$3,920.9</u>	<u>\$4,889.1</u>	<u>\$968.2</u>	<u>24.7%</u>
Misc. Service Charges	76.2	151.6	75.3	98.8%
Other Operating Revenues	117.6	117.6	0.0	0.0%
Total Operating Revenues	<u><u>\$4,114.7</u></u>	<u><u>\$5,158.3</u></u>	<u><u>\$1,043.5</u></u> <sup>(3)</sup>	<u><u>25.4%</u></u>

**Notes:**

- (1) Provided on MFR E-1, Achieved at Present Rates.
- (2) Provided on MFR E-1, Equalized at Proposed Rates.
- (3) Per MFR A-1, 2010 Test Year, Revenue Increase Requested, Line 16.

Totals may not add due to rounding.

**Target Revenue Requirements at Proposed Rates**  
**For the Subsequent Year 2011**  
**(\$ Millions)**

(1)  Rate Class	(2) Achieved Revenues from Sales <sup>(1)</sup>	(3) Target Revenue Requirements <sup>(2)</sup>	(4) Revenue Requirements Deficiency (3) - (2)	(5) Percent Difference (4) / (2)
RS(T)-1	\$2,327.0	\$2,955.2	\$628.3	27.0%
GSD(T)-1	763.0	1,032.6	269.6	35.3%
GS(T)-1	298.2	333.9	35.6	11.9%
GSLD(T)-1	144.7	227.1	82.4	56.9%
HLFT-2	119.9	205.5	85.6	71.4%
CILC-1D	71.4	106.4	35.0	49.0%
SL-1	70.8	85.3	14.5	20.5%
HLFT-1	35.8	51.2	15.5	43.3%
CILC-1T	25.3	36.5	11.3	44.6%
HLFT-3	24.3	41.3	17.0	70.0%
GSLD(T)-2	21.7	32.9	11.2	51.6%
SDTR-2	16.0	25.7	9.7	60.7%
SDTR-1	16.0	22.0	6.0	37.8%
All Other (12 Classes)	40.9	49.1	8.2	20.0%
Total Revenues from Sales	<u>\$3,974.9</u>	<u>\$5,204.8</u>	<u>\$1,229.9</u>	<u>30.9%</u>
Misc. Service Charges	77.5	153.8	76.4	98.6%
Other Operating Revenues	122.6	122.6	0.0	0.0%
Total Operating Revenues	<u>\$4,175.0</u>	<u>\$5,481.3</u>	<u>\$1,306.2</u> <sup>(3)</sup>	<u>31.3%</u>

**Notes:**

- (1) Provided on MFR E-1, Achieved at Present Rates.
- (2) Provided on MFR E-1, Equalized at Proposed Rates.
- (3) Per MFR A-1, 2011 Subsequent Year, Revenue Requirement (No 2010 Rate Relief), Line 16.

Totals may not add due to rounding.