# Public Disclosure Version

BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION

IN RE:

PETITION FOR RATE INCREASE BY ) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY )

**DIRECT TESTIMONY**

**AND EXHIBITS**

**OF**

**LANE KOLLEN**

ON BEHALF OF THE

SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA



JULY 2009

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# DIRECT TESTIMONY OF LANE KOLLEN

## I. QUALIFICATIONS AND SUMMARY

<u>Qualifications</u>

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

A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

**Q. What is your occupation and by whom are you employed?**

A. I am a utility rate and planning consultant holding the position of Vice President and Principal with Kennedy and Associates.

**Q. Please describe your education and professional experience.**

A. I earned a Bachelor of Business Administration in Accounting degree and a Master of Business Administration degree, both from the University of Toledo. I also earned a Master of Arts degree from Luther Rice University. I am a Certified

Public Accountant, with a practice license, and a Certified Management Accountant.

I have been an active participant in the utility industry for more than thirty years, both as a consultant and as an employee. Since 1986, I have been a consultant with Kennedy and Associates, providing services to consumers of utility services and state and local government agencies in the areas of utility planning, ratemaking, accounting, taxes, financial reporting, financing and management decision-making. From 1983 to 1986, I was a consultant with Energy Management Associates, providing services to investor and consumer owned utility companies in the areas of planning, financial reporting, financing, ratemaking and management decision-making. From 1976 to 1983, I was employed by The Toledo Edison Company in a series of positions providing services in the areas of planning, accounting, financial and statistical reporting and taxes.

I have appeared as an expert witness on utility planning, ratemaking, accounting, reporting, financing, and tax issues before state and federal regulatory commissions and courts on nearly two hundred occasions. In many of those proceedings, I have represented state and local ratemaking agencies or their Staffs, including the Louisiana Public Service Commission, Georgia Public Service Commission and various groups of Cities with original rate jurisdiction in Texas. I also have appeared before the Florida Public Service Commission

("Commission") in numerous proceedings, including the two most recent Florida Power & Light Company ("FPL" or "Company") base rate proceedings in Docket Nos. 050045-EI (2005) and 001148-EI (2002). I have developed and presented papers at various industry conferences on ratemaking, accounting, and tax issues. My qualifications and regulatory appearances are further detailed in my Exhibit___(LK-1).

<u>Summary</u>

**Q. On whose behalf are you testifying?**

A. I am offering testimony on behalf of the South Florida Hospital and Healthcare Association ("SFHHA") and individual healthcare institutions (collectively, the "Hospitals") taking electric service on the FPL system.

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

A. The purpose of my testimony is to address the Company's proposed series of base rate and recovery clause increases and to make recommendations on the appropriate rate increase amounts.

**Q. Please summarize your testimony.**

A. The Company has requested an unprecedented series of rate increases in this proceeding of more than $1,550 million, the magnitude of which may not be immediately evident, and which would represent a radical change in the Commission's ratemaking process. These increases consist of a base rate increase of $1,044 million on January 1, 2010, another series of increases on January 1, 2010 summing to $77 million through various recovery clauses due to transfers in the recovery of such costs between base rates and the clauses, another base rate increase of $247 million on January 1, 2011, an estimated initial base rate increase of $182 million through a Generation Base Rate Adjustment ("GBRA") mechanism for West County Energy Center Unit 3 ("WCEC 3") on June 1, 2011 and another series of unknown future base rate increases through the GBRA for future generation costs.

I recommend that the Commission reject the Company's proposals in this proceeding for all base rate increases after January 1, 2010. Instead, the Company should file for future base rate increases closer to the effective dates of such increases using then current costs and assumptions. The Commission realistically cannot determine at this time the reasonable level of revenues and costs that should be recovered through base rates some three or more years into the future, particularly given the present economic uncertainty. Further, the Commission should not adopt a GBRA that provides the Company an almost unfettered ability to automatically impose base rate increases to recover selective increases in certain costs without consideration of increases in revenues and reductions in all other costs.

In addition, I recommend that the Commission reduce the Company's base rates by at least $336.338 million (net of transfers of costs between base rates and various recovery clauses) on January 1, 2010 compared to the Company's requested increase of $1,044 million. My recommendation reflects the SFHHA adjustments to remove the excessive and inappropriate costs that affect the rate base, operating income and rate of return that are included in the Company's request. I have summarized the effects of the SFHHA recommendations on the following table.

**FLORIDA POWER AND LIGHT BASE RATE INCREASE**
**SUMMARY OF SFHHA RECOMMENDATIONS**
**TEST YEAR ENDING DECEMBER 31, 2010**
**($ MILLIONS)**

| | Amount |
|---|---|
| **FPL Requested Base Rate Increase** | **$ 1,043.535** |
| **Operating Income Adjustments:** | |
| Reduce O&M Expenses - Other (Maintain Status Quo) | (169.256) |
| Reduce O&M Expenses - DOE Settlement Refunds | (9.030) |
| Reduce O&M Expenses - AMI Deployment Savings | (5.685) |
| Reduce O&M Expenses - Development of New CIS | (7.274) |
| Remove Annual Storm Damage Expense Accrual | (149.162) |
| Reduce O&M Labor, Payroll Taxes, and Fringe Benefits - Productivity Improvements | (36.641) |
| Reduce O&M Labor, Payroll Taxes, and Fringe Benefits - Nuclear Staffing | (21.925) |
| Remove Depreciation Expense - Development of New CIS | (0.506) |
| Reduce Depreciation Expense - Capital Cost Reductions | (26.719) |
| Reduce Depreciation Expense - Five Year Amortization of Depreciation Reserve Surplus | (247.556) |
| Reduce Depreciation Expense - No Acceleration of Capital Recovery Costs | (63.605) |
| Reduce Depreciation Expense - Forty Year Service Life for Combined Cycle Gas Units | (123.730) |
| Reduce Depreciation Expense - Economic Stimulus Grants for AMI Deployment | (1.584) |
| **Rate Base Adjustments:** | |
| Reflect Capitalization/Deferral of CIS O&M Expenses | 0.428 |
| Reduce Plant for Capital Expenditure Reductions | (92.520) |
| Restate Accum Depr to Reflect Capital Expenditure Reductions | 3.668 |
| Restate Accum Depr to Reflect Five Year Amortization of Depreciation Reserve Surplus | 14.559 |
| Restate Accum Depr to Adjust Amortization Periods for Capital Recovery Costs | 3.741 |
| Restate Accum Depr to Reflect Forty Year Service Lives for Combined Cycle Gas Units | 7.276 |
| Restate Gross Plant and Accum Depr to Reflect Economic Stimulus for AMI Deployment | (2.267) |
| **Capital Structure and Rate of Return Adjustments:** | |
| Rebalance Common Equity and Debt in Capital Structure | (121.424) |
| Rebalance Long and Short Term Debt in Capital Structure | (11.018) |
| Eliminate FIN 48 Adjustment to Accumulated Deferred Income Tax | (17.643) |
| Reallocate Pro Rata Adjustments to Exclude Cust Deposits, ADIT, ITC | (48.695) |
| Increase ADIT for Depreciation Changes | (8.909) |
| Restate ROE at 10.4% | (232.610) |
| Restate Short Term Debt Interest Rate | (11.785) |
| **Total SFHHA Adjustments** | **($1,379.873)** |
| **SFHHA Recommendation for Base Rate Change on January 1, 2010** | **($336.338)** |

The remainder of my testimony is structured to follow the sequence of my summary. In the next section, I address the Company's proposed base rate increases effective on January 1, 2011 and beyond and why the Commission should reject those increases in this proceeding. In the subsequent sections, I focus on the Company's proposed base rate increase effective on January 1, 2010 and the appropriate adjustments to that proposed increase by major ratemaking component (operating income, rate base, and capitalization and rate of return) and by issue affecting each of those major ratemaking components.

**<u>Economic Uncertainty and Requested Base Increase on January 1, 2011 and GBRA Increase on June 1, 2011</u>**

**Q. Should the Commission approve a second base rate increase to be effective on January 1, 2011 based on a "subsequent" test year of 2011?**

A. No. First, the Commission cannot determine at this time what the reasonable revenues and costs will be in 2011 given the present economic uncertainty. It will be difficult enough to determine the reasonable level of revenues and costs for the 2010 test year, which itself is two years removed from actual experience and is based on a budgeting process covering 2009 and 2010, but which began in mid-2008 prior to the meltdown in the financial markets and the recession. Since 2008, the Company has engaged in extensive cost reductions compared to its 2009 budget, thus rendering the 2009 budget unreliable as the basis for the 2010 test year forecast, and even more so for the 2011 subsequent test year forecast. I subsequently describe the Company's cost reductions in both capital expenditures and operating expenses compared to 2008 actual amounts and compared to the Company's 2009 budget.

Second, there is no evidence that there will be actual savings to ratepayers resulting from the avoidance of a separate proceeding sometime in 2010 for rates that will be effective in 2011. Company witness Ms. Kim Ousdahl asserts that the Commission should determine the 2011 rate increase in this proceeding to "avoid the cost and distraction for all parties of back-to-back rate proceedings." [Ousdahl Direct at 12]. However, if the Company's 2011 test year costs are reduced as the result of the Company's cost cutting efforts compared to the projections in the Company's 2011 subsequent year forecasts in this proceeding, then the cost of a separate proceeding in 2010 or in some future year is likely to pale against the effect of such savings in a subsequent proceeding. It would be far better to incur the cost of another rate proceeding in 2010 or later and to endure the alleged "distraction" of such a proceeding in order to avoid an excessive increase for 2011 that is not merited and that cannot be reasonably determined at this time. The reasonable levels of revenues and costs in 2011 are not known and measurable today.

Third, the Company is not harmed if the Commission rejects the proposed 2011 subsequent year increase because it can file another case in 2010 using more current assumptions and data. Company witness Ms. Ousdahl recognizes that the

Commission may reject the Company's request for the January 1, 2011 base rate increase and concludes that this may result in another rate filing. [Ousdahl Direct at 4]. That may be and the Commission can consider such a request after it is filed, if one is filed. Regardless, Ms. Ousdahl does not claim that the Company will harmed if it must make a subsequent filing, nor could it reasonably make such a claim.

Fourth, it may very well be that the Company will not file another case in 2010 if it continues to reduce its costs through additional reductions in capital expenditures and operating expenses as it addresses the lack of growth in sales and revenues due to the economic recession. In any event, it is premature both for the Commission and the Company to make a determination at this time as to the Company's revenue requirement in 2011 given the present uncertainty.

**Q. Should the Commission approve the Company's proposed GBRA?**

A. No. The Company's proposed GBRA mechanism represents a radical departure from the traditional ratemaking process and should be rejected for several reasons. First, the Company's proposed GBRA will be a permanent mechanism that will operate to automatically implement significant future base rate increases as the Company adds new generation. The Company effectively will self-implement those base rate increases without the normal regulatory scrutiny and resulting cost-control discipline that accompanies the filing, review and adjudication of a comprehensive base rate case. The proposed GBRA will not be limited only to the West County Energy Center Unit 3 revenue requirement, but also will include all future generation and related transmission costs.

Second, the circumstances and nature of the proposed GBRA differ from those of the expiring GBRA. The expiring GBRA was implemented in conjunction with a settlement in Docket Nos. 050045-EI and 050188-EI, which provided for no base rate increases for the next four years except for costs recovered through various adjustment mechanisms, including the GBRA and various clauses, unless the Company's earnings fell below a threshold level. In addition, the GBRA mechanism was temporary and will expire at the end of this year unless it is re-established in this proceeding.

Third, the proposed GBRA mechanism constitutes a single issue and one-way base rate increase mechanism that fails to consider cost reductions that the Company may achieve in other areas. For example, the proposed mechanism will not reflect cost reductions due to the continued depreciation on or retirement of existing production plant investment as acknowledged by the Company in response to SFHHA Interrogatory 112. The proposed GBRA mechanism allows the Company to retain the savings resulting from ongoing recoveries of existing plant investment through depreciation from ratepayers, the cost free capital resulting from ongoing accelerated tax depreciation, increases in revenues due to customer and usage growth and capital expenditure and expense cost reductions. This fundamental flaw will be accentuated the longer the period between comprehensive base rate proceedings. I have attached a copy of the Company's response to SFHHA Interrogatory 112 as my Exhibit___(LK-2)

Third, the GBRA recovery will be based on the Company's first year estimate of the revenue requirement of the new generation and related transmission when that revenue requirement is at its peak level. Once the Company self-implements a base rate increase when a new project enters commercial operation, that rate increase will be permanent and remain at the level when implemented, at least until the next comprehensive base rate proceeding. Once the increase is implemented, base revenues will not be revised downward as the underlying rate base amount declines due to increases in accumulated depreciation or as the related cost of capital declines due to increases in cost-free accumulated deferred income taxes and apparently never is trued-up to actual. This approach allows the Company to increase base rates when the revenue requirement is at the maximum level and then to retain any savings due to the declining rate base or actual expenses that are less than initially projected until the next comprehensive base rate proceeding. This approach also will allow the Company to avoid or at least defer a voluntary comprehensive review of its base rates absent growth in its other base rate costs that exceeds such savings.

Fourth, the GBRA mechanism is not even a proposed tariff even though it is self-implementing. There is no proposed tariff to review. There is not even a detailed description of the mechanism and the revenue requirement computations in the testimony of any FPL witness. Company witness Ms. Ousdahl simply refers to the existing GBRA in her testimony. However, the description of the existing GBRA mechanism in paragraph 17 of the settlement agreement in Docket Nos. 050045-EI and 050188-EI and approved by the Commission in Order No. PSC-05-0902-S-EI is not sufficiently detailed for a permanent self-implementing base rate increase mechanism. I have attached a copy of the settlement agreement in that proceeding as my Exhibit___(LK-3) for ease of reference.

Fifth, based on the Company's computation of the proposed West County Energy Center 3 revenue requirement, there are serious computational problems in the Company's proposed GBRA, all of which serve to improperly increase the Company's revenue requirement.

**Q. Please describe the computational problems with the Company's proposed GBRA.**

A. There are numerous problems that are evident from a review of the Company's separate computation of the WCEC 3 revenue requirement for the first year of its operation that the Company provided in this proceeding. The Commission should not allow the use (or misuse) of a GBRA to provide the Company with excessive revenues. First, the proposed rate of return is overstated due to an excessive common equity ratio of 55.80%. A reasonable capital structure consists of 50.0% common equity and 50.0% debt for rating agency reporting purposes and 53.46%

common equity and 46.54% debt for ratemaking purposes, according to SFHHA witness Mr. Richard Baudino's testimony in this proceeding.

Second, the proposed rate of return is overstated due to the Company's use of the so-called "incremental" cost of debt rather than the weighted average cost of debt outstanding. For example, the Company's computations reflect a 6.43% cost of debt on Schedule D-1a for the WCEC 3 revenue requirement compared to the 5.81% weighted average cost of debt on Schedule D-1a for the 2011 subsequent test year revenue requirement.

Third, the proposed rate of return is overstated due to the failure to include low-cost short term debt in the capital structure. If the WCEC 3 rate base investment was included in the rate base for the base revenue requirement, then the return applied to the rate base investment would include short-term debt.

Fourth, the rate of return is overstated because it does not include any cost-free ADIT in the capital structure. The Company should not be allowed to retain this benefit by computationally assuming that it does not exist.

Fifth, the depreciation expense is overstated because it is based on a 25 year life for the WCEC 3 facility. Such a facility has a reasonable service life of 40 years and depreciation expense should be based on the reasonable service life, not an accelerated life established only to accelerate and increase near-term ratemaking recovery. I address the appropriate service lives for depreciation expense in the Operating Income section of my testimony.

**Q. How should the Company recover its costs associated with the West County Energy Center Unit 3 and future generation facilities?**

A. If the Company believes that it has or will have a revenue deficiency for 2011, then it should file a request to increase its base rates some time in 2010. Similarly, if the Company believes that it has or will have a revenue deficiency in years after 2011, then it should file requests to increase its base rates in those years.

## II. OPERATING INCOME ISSUES

**Operation and Maintenance Expense – Summary**

Q. **How does the Company's proposed O&M expense compare to the Company's most recent actual O&M expense?**

A. The Company proposes an incredible increase in O&M expense for the test year compared to the actual O&M expense for the most recent three historical years as summarized on its MFR Schedules C-1 and C-36. In contrast to its actual success in controlling expenses in 2008 and prior years, the Company projects an increase in non-fuel O&M expense recovered through base rates of $387.414 million, from $1,306.953 million in 2008 to $1,694.367 million in the 2010 test year, as shown on MFR Schedule C-1. However, this increase masks the full magnitude of the proposed increase because the Company proposes that $20.880 million of the projected 2010 expense be transferred to clause recovery. Thus, the actual proposed increase is $408.294 million, which is an increase of more than 31% compared the Company's actual 2008 O&M expense.

This requested growth is excessive when compared to the Company's actual experience in recent years. The Company's MFR Schedule C-36 compares the O&M expense in the years 2007 through the 2010 test year (although MFR Schedule C-36 includes only the "Commission" proforma adjustments and does not include the "Company" proforma adjustments), the annual percentage increase in the O&M expense, and the annual percentage increase in the CPI. The results show that the Company effectively managed its total non-fuel O&M expense each year to levels less than the actual CPI growth and even reduced its actual non-fuel O&M expense in 2008 by an absolute $26.842 million, or 2.0%, compared to the actual O&M expense in 2007. In other words, the Company achieved significant productivity gains in its O&M expenses over the last several years, offsetting and even surpassing the growth in these expenses caused by inflation.

This requested growth also is excessive when compared to the Company's actual O&M expenses for the first quarter this year compared to the same quarter last year. The Company has further reduced its O&M expense in 2009 compared to 2008 and compared to its 2009 budget. The Company's SEC 10-Q for the 1st Quarter 2009 indicates that it has reduced its actual O&M expense in the first quarter by $38 million compared to 2008, of which $9 million was due to the DOE settlement that I subsequently discuss. In its press release announcing first quarter earnings, FPL Group cited the Company's reduction in O&M expense as the driver of the Company's increased earnings in the first quarter 2009 compared to the first quarter 2008. [redacted] I have attached a copy of the relevant pages from the Company's 10-Q as my Exhibit___(LK-4), a copy of the FPL Group press release as my

Exhibit___(LK-5), and a copy of the [redacted] as my Exhibit___(LK-6) (confidential).

**Q. Are expense increases of this magnitude justified?**

A. No. This level of increase is wildly excessive and cannot reasonably be justified given the present economic circumstances, particularly in South Florida, the Company's proven ability to implement cost reductions, including the effects of productivity improvements through capital investment and continued efficiency improvements through the adoption of best practices, and given the Company's actual cost reductions compared to 2008 and compared to its budget that it already has implemented to-date in 2009.

The Company's test year O&M expenses should be no more than the actual 2008 expenses, a "status quo" basis, except for limited known and measurable changes. Only certain of the increases in expenses are known and measurable at this time, and thus potentially justified, such as the expenses due to the commercial operation of new generation, specifically the West County Energy Center Units 1 and 2 in 2009. However, the increases in other expenses are not known and measurable, but rather represent significant and largely unjustified expansions of programs, proposed increases in staffing levels, and other general increases resulting from inflation and other forecasting assumptions that tend to increase expenses when used to support a proposed rate increase.

**Q. How do you propose the Commission proceed on the Company's requested level of O&M expense increases?**

A. I recommend a significant reduction in the Company's proposed non-fuel O&M expense, which I address through both a "top-down" approach and a "bottom-up" approach. Under the top-down approach, I recommend that the Commission limit the test year O&M expenses to the actual 2008 O&M expenses, adjusted only for appropriate known and measurable changes, such as transfers between base rates and clause recoveries and increases to incorporate the WCEC 1 and 2 expenses. Under the bottom-up approach, I recommend that the Commission reduce the Company's proposed test year O&M expense to reflect specific adjustments to the Company's requested amount. Given the Company's reductions in O&M expenses in the first quarter of this year to levels below 2008, the Commission may wish to consider these reductions on an annualized basis as a further reduction in the test year O&M expense under either a top-down or bottom-up approach.

**Q. Please describe the top-down approach to determine the reasonable level of test year O&M expense.**

A. The top-down approach reflects the "status quo" and relies on the use of the historic test year as the best evidence of the Company's expenses, but with adjustments for known and measurable changes to those expenses that the Company likely will incur in the projected test year. The Commission should reject the concept that the Company's projected O&M expenses are known and measurable in the abstract based on its budget and forecasting process and that the Company cannot or will not manage its expenses in its self-interest.

The top-down status quo approach assumes that there should be and will be no general increase in non-fuel O&M expense increase in the 2010 test year compared to the 2008 actual expense. The top-down approach assumes that the 2008 level of expense not only was adequate in that year but will remain adequate in the future absent known and measurable changes and that increases in expenses due to inflation, if any, in 2009 and 2010, will be at least offset by reductions in expenses due to productivity improvements and other cost reductions. The top-down approach is consistent with the manner in which the Company actually manages its O&M expense and the Company's reductions in non-fuel O&M expenses for the first quarter this year compared to the same quarter last year.

In addition, the top-down approach recognizes that there are and should be savings in O&M expense resulting from the costs of new "long-term infrastructure investments" to "better manage work, assets, people, and finances" [Barrett at 27] that are included in rate base. The rate base investments have the effect of "reducing costs while enhancing many aspects of service to customers." [Barrett at 27]. The Commission should ensure that ratepayers actually get the benefit of the expense reductions due to the investments made to achieve those reductions.

Finally, the top-down approach recognizes that utilities manage their O&M expenses in response to the timing and level of ratemaking recoveries. The Company aggressively manages its O&M expense when it cannot contemporaneously recover increases and is able to retain the earnings benefits from its actions. However, if the Company is provided excessive recoveries based on inflated forecasts, such recoveries will allow the Company to increase its expenses without consequence and override the normal self-interest in cost-control. [redacted] I have attached these [redacted] as my Exhibit___(LK-7 (confidential) and Exhibit___(8) (confidential) [redacted], respectively.

In conjunction with the top-down approach, the Commission should adjust the "status quo" O&M expense for known and measurable adjustments to: 1) subtract expenses that no longer will be incurred or no longer recovered through base rates, such as those transferred to various clauses for recovery, and 2) add specific and unavoidable cost increases, such as the increases in non-fuel O&M expense associated with WCEC 1 and 2.

Q. **Please describe the bottom-up approach to determine the reasonable level of test year O&M expense.**

A. I recommend that the Commission also review the specifics of the Company's projected 2010 test year expense through a bottom-up approach to determine if the requested amounts are reasonable. Amounts that are not reasonable should be specifically disallowed. In this manner, the Commission can determine the overall reasonable level of O&M expense through the top-down approach, but confirm and refine the result of the top-down approach by starting with the Company's request and reducing it for unreasonable expenses through the bottom-up approach.

**Q. What is your recommendation on the test year O&M expense?**

A. I recommend that the Commission reduce the Company's test year O&M expense by $397.648 million. This reduces the Company's requested test year O&M expense from the $1,694.367 million requested to the $1,306.953 million actual 2008 adjusted downward on a net basis to $1,296.719 million for the following known and measurable changes: 1) the reduction in O&M expense due to the transfer of certain expenses to various clauses for recovery ($20.880 million), 2) the increase in O&M expense for WCEC 1 and 2 ($18.918 million), and 3) the reduction due to the DOE refunds that I subsequently discuss ($9.000 million), and 4) the increase due to all other Company adjustments reflected on MFR Schedule C-2, except for the storm damage expense ($0.728 million).

I obtained the Company's proposed known and measurable changes from the Company adjustments shown on MFR Schedule C-2. I obtained the O&M expense amount for WCEC 1 and 2 from the Company's response to SFHHA

Interrogatory 119. I attached a copy of this response as my Exhibit___(LK-9). I discuss and provide the source of the DOE refund amount in a subsequent section of my testimony.

Although I recommend this net reduction in O&M expense based on the top-down approach, I also have disaggregated the net reduction into various specific adjustments and disallowances that are based on the bottom-up approach. I have characterized the difference between the net reduction based on the top-down approach and the sum of the specific adjustments based on the bottom-up approach as an "other" adjustment on the table in the Summary section of my testimony.

Q. **Please describe your bottom-up review of the Company's proposed test year O&M expense.**

A. First, I reviewed the forecast assumptions reflected in the Company's projected 2010 O&M expense to identify assumption-driven reasons for the proposed increase in O&M expenses. Second, I reviewed the Company's O&M expense benchmark analysis summarized on MFR Schedule C-41 to identify specific functional areas where the Company proposed growth in test year expenses above and beyond the levels indicated by the benchmark computations. Third, I compared the Company's O&M expense in the test year to 2008 actual levels to identify specific functional areas where the Company proposed excessive growth in O&M expenses. Finally, I reviewed the Company's responses to the SFHHA discovery as well as the responses to other parties' discovery to identify inappropriate and excessive expenses. I subsequently address each of the bottom-up specific adjustments that I recommend and reflect the amount of each adjustment on the table in the Summary section of my testimony.

<u>Operation and Maintenance Expense – Productivity Savings</u>

**Q. Did the Company include an explicit assumption regarding productivity improvements and the resulting expense reductions given the Company's history of controlling the growth in payroll costs below the rate of inflation?**

A. No. The Company reflected significant increases in payroll costs, including inflation and merit increases and staffing increases, but did not explicitly reflect an offset against these proposed expense increases for productivity improvements.

**Q. Is the Company's failure to explicitly take into account productivity improvements in its O&M expense consistent with its historic experience?**

A. No. In recent years and as I previously described, the Company has successfully managed its O&M expenses so that annual increases are less than the rate of inflation.

**Q. What is the source of the Company's productivity improvements?**

A. The Company achieves such productivity improvements through capital investment in assets that reduce maintenance requirements and allow fewer employees to do more in less time as well as the adoption of best practices in managing processes. Company witness J. A. Stall described how the Company's nuclear production business unit achieves such efficiencies. Mr. Stall states that: "we continuously pursue standardization of programs and procedures and share best practices among our nuclear fleet, improving safety, efficiencies, and reducing costs." [Stall Direct at 15]. Mr. Stall also described the Turkey Point Excellence project, stating: "In the "process category, the project focuses on implementing a procedure upgrade program, reducing the corrective action backlog, upgrading training programs, and implementing process improvements consistent with industry best practices. In the "plant improvement" category, the project is focused on reducing on-line and outage maintenance and corrective action backlogs, proactive management of age-related corrosion and coatings related issues, improving operational margin, and implementing a preventative maintenance optimization program." [*Id.*, 22-23]. In addition to the Turkey Point Excellence program, the Company has replaced major equipment components, including steam generators, reactor pressure vessel heads, and a pressurizer at its nuclear units. [*Id.*, 14]. The Company has invested hundreds of millions of dollars in capital expenditures to replace and upgrade other equipment and is now engaged in numerous long-term equipment reliability projects at the nuclear units. [*Id.*, 28].

**Q. Are the Company's historic productivity achievements consistent with the productivity improvements across the national economy?**

A. Yes. The following table summarizes the national non-farm productivity improvements in recent years. The indices were obtained from the U.S. Bureau of Labor Statistics website. I added the column labeled "% Increase" and computed the 5 year simple average, 10 year simple average and the most recent annualized level in the first quarter 2009.

BLS Productivity Statistics

**Series Id:** PRS85006093
**Duration:** index, 1992 = 100
**Measure:** Output Per Hour
**Sector:** Nonfarm Business

| Year | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Annual | % Increase |
|---|---|---|---|---|---|---|
| 1998 | 108.356 | 108.675 | 109.902 | 110.476 | 109.358 | |
| 1999 | [illegible] | 111.704 | 112.487 | 114.415 | 112.521 | 2.9% |
| 2000 | 113.914 | 115.938 | 115.713 | 116.824 | 115.687 | 2.8% |
| 2001 | [illegible] | [illegible] | 118.825 | 120.374 | 119.57 | 2.5% |
| 2002 | 122.685 | 122.88 | 124.208 | 124.098 | 123.468 | 4.1% |
| 2003 | 125.197 | 126.963 | 130.064 | 129.965 | 128.054 | 3.7% |
| 2004 | 130.225 | 131.73 | 132.242 | 132.245 | 131.614 | 2.8% |
| 2005 | 133.167 | 133.294 | 134.687 | 134.195 | 133.862 | 1.7% |
| 2006 | 134.832 | 135.642 | 135.086 | 134.938 | 135.123 | 0.9% |
| 2007 | 134.731 | 136.326 | 138.665 | 138.482 | 137.049 | 1.4% |
| 2008 | 139.385 | 140.98 | 141.732 | 141.533 | 140.897 | 2.8% |
| 2009 | 142.079 | [illegible] | [illegible] | | | |
| 5 Year Simple Average | | | | | | 1.9% |
| 10 Year Simple Average | | | | | | 2.6% |
| Most Recent Annualized 1st Qtr | | | | | | 1.9% |

**Q. Should the Commission reflect ongoing productivity improvements since 2008 in the test year?**

A. Yes. The Commission should reduce the Company's proposed test year payroll expense to reflect productivity improvements and thus, reductions in payroll and related expenses. In addition to the Company's demonstrated ability to restrain growth in O&M expenses below inflation, the Commission also should consider the Company's capital investment incurred to achieve these savings that is included in rate base. The Company's ratepayers should receive the full benefit of their investment in rate base. If the Commission does not restate the Company's proposed test year O&M expense to reflect these savings, then the Company either will retain the savings or otherwise increase its actual O&M expenses to the levels included in the revenue requirement or some combination of the two.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce O&M expense by $36.519 million and the revenue requirement by $36.641 million. I assumed that the Company would achieve productivity gains of 2.0% annually, which will offset the Company's general inflation assumption of 2.0% annually. I based this assumption not only on the Company's most recent experience at more than offsetting inflation increases in 2008, but also on the most recent national historic trends in productivity improvement, which converge on a 2.0% annual improvement as reflected in the preceding table.

The recognition of a 2.0% annual productivity improvements will have the effect of reducing the Company's proposed $765.261 million in payroll expense amount by $30.917 million, or 4.04% reflecting the cumulative and compounded effect of the 2009 and 2010 productivity improvements compared to 2008. I obtained the

O&M expense portion of the Company's projected 2010 payroll expense from the Company's response to SFHHA Interrogatory 297, a copy of which I have attached as my Exhibit___(LK-10).

In addition, there will be reductions of $1.995 million in the related payroll tax expense and $3.607 million in the related fringe benefits expense. To compute these amounts, I applied the same 4.04% cumulative productivity factor to these expense amounts. I obtained the payroll tax expense from the Company's MFR Schedule C-20 and the base recovery portion of the fringe benefits expense from the Company's response to SFHHA Interrogatory 297.

My computations of the reductions in payroll and related expenses are detailed on my Exhibit___(LK-11).

**Operation and Maintenance Expense – Nuclear Staffing**

**Q. Does the Company propose an increase in nuclear production O&M expense to reflect staffing increases?**

A. Yes. The Company proposes an increase in nuclear staffing of 270 employees, ostensibly to address its employee attrition and training requirements and for its Turkey Point Excellence program. The Company cited employee attrition and training requirements as one reason for the proposed $37.298 million in excess over the benchmark level proposed for nuclear production on its MFR Schedule C-41.

The increase of 270 employees also was cited by Company witness J. A. Stall in his testimony as one of the reasons for the $43.4 million increase in nuclear production O&M expense in the test year compared to 2008 actual expenses. The Company proposes an increase to $424.3 million in the test year from the $380.9 million actually incurred in 2008, according to Exhibit JAS-10 attached to Mr. Stall's Direct Testimony.

The Company also provided a list and brief description of the primary reasons and the amounts related to each of those primary reasons for the proposed increases in nuclear production O&M expense in response to SFHHA Interrogatory 240, a copy of which I have attached as my Exhibit___(LK-12). In this discovery response, the single largest reason identified by the Company was an increase in payroll costs to reflect a significant increase in staffing levels. In that response, the Company quantified the payroll expense effect of adding these employees at $18.5 million for the test year compared to 2008.

**Q. How have the Company's actual nuclear staffing levels increased since 2006 and what are the reasons cited by the Company for these increases?**

A. The Company previously increased its nuclear staffing levels by 199 positions in 2007 and 2008, or 12%, from 2006 levels, according to the Company's response to SFHHA Interrogatory 291. I have attached a copy of the Company's supplemental response as my Exhibit___(LK-13). The primary reason cited by the Company for the increased nuclear staffing was to "anticipate and ultimately compensate for attrition and retirements."

**Q. Is this the same primary reason cited by the Company for the proposed increase of another 270 positions reflected in O&M expense for the test year?**

A. Yes. The Company cites the "Apprenticeship Program and operations training pipeline" as the primary reasons for the proposed increases in staffing levels in the test year compared to year end 2008, according to the Company's response to SFHHA Interrogatory 291.

**Q. How has the Company's nuclear staffing actually changed since the end of 2008?**

A. The Company has been systematically reducing nuclear staffing since September 2008, contrary to the increase in staffing the Company assumed in both its 2009 and 2010 budgets and thus, in the test year O&M expense. In the Company's supplemental response to SFHHA Interrogatory 291, the Company's nuclear staffing peaked in September 2008 and has been steadily declining each month since then.

**Q. Should the Commission reflect the additional increases in nuclear production staffing in the test year ostensibly necessary for the Apprenticeship Program and the operations training pipeline?**

A. No. The Commission should reject the increase in nuclear production O&M

expense for an additional 270 positions. First, the Company already increased nuclear production staffing by 12% from 2006 to 2008, primarily for this same reason. The Company's proposal will result in a cumulative staffing increase of 23% from 2006 to 2010. Increases of this magnitude for this reason are not reasonable. In effect, the Company claims that it is necessary to increase staffing by 23% over its normal requirements so that it can perpetually train additional personnel to replace employees who will retire or otherwise terminate employment at some future date, but who will not have done so prior to or within the test year. That is not reasonable.

Second, the evidence is that the Company has been steadily reducing nuclear staffing now that the recession has bitten deeper, particularly in the South Florida economy and the Company has been forced to engage in cost reductions compared to its budget.

Third, the Company's proposed increase in staffing levels is inconsistent with the significant capital investments the Company has made and included in rate base to improve the performance and material condition of its nuclear facilities that should reduce staffing levels and O&M expense, not increase it year after year for the same facilities. In addition, the proposed increase in staffing levels is inconsistent with the Company's expense "investments" incurred through such efforts as the Turkey Point Excellence project, reducing maintenance backlogs, reducing attrition rates, and improving employee efficiency consistent with industry best practices. These activities and investments are described extensively by Company witness J. A. Stall in his testimony. At some point, the Company and its ratepayers must reap the expense savings benefit from these large capital and expense investments, the resulting reductions in maintenance activities, and efficiency improvements. Otherwise, there is no justification for the investments or their inclusion in rate base. The point at which ratepayers should reap those benefits is during the test year that serves as the basis for setting the Company's revenue requirement.

Q. **What is your recommendation regarding the proposed increase nuclear production staffing expense?**

A. I recommend that the Commission reduce the Company's nuclear production O&M expense by $21.852 million to eliminate the Company's request for increased staffing to meet its alleged and seemingly never ending and growing attrition and training requirements. This amount consists of the $18.5 million reduction in O&M payroll expense compared to 2008 levels included in the test ostensibly for this purpose, which was quantified by the Company, plus the related expenses of $1.194 million in payroll taxes and $2.158 million in employee fringe benefits. The computations of the related payroll taxes and employee fringe benefits expenses are detailed on my Exhibit___(LK-14).

<u>**Operation and Maintenance Expense – DOE Settlement**</u>

**Q. Please describe the litigation and settlement between FPL and the U.S. Department of Energy related to the disposal of spent nuclear fuel.**

A. FPL and other parties sued the U.S. Department of Energy ("DOE") seeking damages caused by the DOE's failure to dispose of spent fuel from the Company's nuclear generating facilities. FPL described the litigation and the settlement of that litigation in its SEC Form 10-Q for the quarter ending March 31, 2009 as follows:

> **In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement with the U.S. Government (settlement agreement) agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. In connection with the settlement agreement, FPL Group established an approximately $153 million ($100 million for FPL) receivable from the U.S. Government and a liability to nuclear plant join owners of $22 million ($5 million for FPL), which are included with other receivables and other current liabilities, respectively, in the condensed consolidated balance sheets at March 31, 2009. In addition, FPL Group reduced its March 31, 2009 property, plant and equipment balances by $107 million ($83 million for FPL) and, for the three months ended March 31, 2009, reduced operating expenses by $15 million ($12 million for FPL) and increased operating revenues by $9 million. The payments due from the U.S. Government under the settlement agreement increased FPL Group's net income for the three months ended March 31, 2009 by approximately $16 million ($9 million for FPL). A substantial portion of the amount due from the U.S. Government is expected during the second quarter of 2009. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.**

The Company also described the settlement, providing additional detail, in response to SFHHA Interrogatory 237, a copy of which I have attached as my Exhibit___(LK-15).

**Q. How did the Company reflect the results of the DOE settlement in the test year?**

A. The Company reflected the reduction in plant in service in the test year rate base, but failed to reflect any reduction in expenses for the ongoing reimbursement from the DOE. In response to SFHHA Interrogatory 237, the Company stated the following:

> **Therefore, the 2010 plant balances used to calculate test year results reflect this estimated reduction and customers will receive the benefits associated with the SNF settlement through future rates. Reductions in prospective costs should likewise occur as DOE reimburses FPL for SNF costs incurred in 2009 and beyond. These refunds were not forecasted in the Test Year and Subsequent Year revenue requirements?**

**Q. Should the ongoing DOE refunds be reflected in the test year as a reduction to the revenue requirement?**

A. Yes. The failure to reflect the refunds in the test year clearly was an error in the Company's filing given the ongoing nature of the DOE reimbursements resulting from the litigation settlement.

**Q. What amount should the Commission reflect in the test year?**

A. I recommend that the Commission use the actual $9 million amount reimbursed by the DOE and used by the Company to reduce expense in 2009 as a reasonable estimate for the test year. The revenue requirement effect is $9.030 million.

**<u>Customer Accounts and Sales Expense - AMI</u>**

**Q. Please describe the costs included in the Company's test year revenue requirement for the deployment of AMI meters and related infrastructure.**

A. The Company included $7.4 million in account 902 expense for the deployment of its new advanced metering initiative meters and related infrastructure. The Company provided a summary of its deployment schedule and the projected costs to develop the system separated into expense and capital amounts in response to SFHHA Interrogatories 120, 289 and 290. I have attached a copy of each of these responses as my Exhibit___(LK-16), Exhibit___(LK-17) and Exhibit___(LK-18), respectively. The Company described the types of costs expensed by the Company in response to SFHHA Interrogatory 283, a copy of which I have attached as my Exhibit___(LK-19).

**Q. How many of the proposed AMI meters will be deployed in the test year?**

A. The Company's test year reflects an average of 734,000 meters deployed and a total of 1,298,000 deployed by the end of the test year, according to its response to SFHHA Interrogatory 289. The Company plans to deploy a total of 4,346,000 meters by the end of 2013. Thus, the Company will have deployed 16.9% of the total AMI meters on average during the test year or 30.0% of the total by the end of the test year.

**Q. Does the Company expect that the AMI meters will result in expense savings related to the removal of the old non-AMI meters that will offset the increases due to the new AMI meters?**

A. Yes. The Company estimates annual expense savings of $36 million after all AMI meters are deployed, according to SFHHA Interrogatory 243, a copy of which I have attached as my Exhibit___(LK-20).

**Q. What amount of expense savings has the Company reflected in the test year?**

A. The Company has reflected only $0.418 million in expense savings in the test year, according to its response to SFHHA Interrogatory 289 (replicated as my Exhibit__(LK-17). This is only 1.2% of the annualized savings the Company projects upon full deployment.

**Q. Is the Company's estimate of savings in the test year reasonable?**

A. No. The Company's estimate of 1.2% of the annualized savings compared to the nearly 16.9% of the total investment in rate base for the test year is unreasonable. Upon deployment of these AMI meters, the Company will reduce expenses compared to the levels necessary for its existing non-AMI meters, which include meter reading payroll and related expenses, vehicle expenses, and connect and disconnect expenses, among others, in approximately the same proportion as it has deployed the AMI meters. The Commission should match the savings with the costs and reflect 16.9% of the annualized O&M expense savings consistent with the inclusion in rate base of 16.9% of the cost of the total AMI meters the Company plans to deploy.

**Q. Have you quantified the amount of expense savings that should be reflected in the test year?**

A. Yes. The Commission should increase the expense savings by $5.666 million to $6.084 million in order to match the savings in expense to the investment included in rate base. I computed this amount by multiplying the 16.9% times the $36 million annualized savings upon full deployment and subtracted the $0.418 million in savings reflected in the Company's projected test year expenses.

<u>**Customer Accounts and Sales Expense - CIS**</u>

**Q. Please describe the expenses included in the Company's test year revenue requirement for the development of a new customer information system.**

A. The Company included $7.250 million in account 903 expense and $0.504 in depreciation expense for the development of a new customer information system ("CIS"). The Company provided a summary of its development schedule and the projected costs to develop the system separated into expense and capital amounts in response to SFHHA Interrogatories 287 and 288. I have attached a copy of each of these responses as my Exhibit___(LK-21) and Exhibit___(LK-22), respectively.

The costs the Company included as expense are for the preparation of a detailed project plan, review of scope and preliminary project requirements, approval of scoping study documentation and preparation for data conversion, according to the Company's response to SFHHA Interrogatory 284. I have attached a copy of this response as my Exhibit___(LK-23).

Q. **Should any of the CIS developmental costs be expensed for ratemaking purposes?**

A. No. These costs should be either capitalized to the CIS plant costs or deferred as a regulatory asset for ratemaking purposes rather than expensed in the test year. The Company has determined that the costs should be expensed for accounting purposes, according to its response to SFHHA Interrogatory 284; however, the accounting does not and should not control the ratemaking treatment even assuming that the Company's proposed accounting treatment is correct, which is a matter of judgment. The costs should be capitalized or deferred because they will be incurred for the development of the new CIS, which will be capitalized as intangible plant. The Company will not continue to incur these costs after the new CIS is implemented in June 2012. Thus, the costs are not recurring in nature and should be appended to the CIS capitalized asset or deferred for ratemaking purposes and then depreciated or amortized and recovered over the same expected useful service life as the CIS asset.

**Q. Have you quantified the revenue requirement effect of your recommendation to capitalize or defer this expense?**

A. Yes. The Commission should reduce the revenue requirement by $7.274 million to reflect the reduction in expense. In addition, the Commission should increase the revenue requirement by $0.428 million to reflect the increase in rate base. The computations are detailed on my Exhibit___(LK-24).

<u>**Administrative and General Expense – Storm Damage Accrual**</u>

**Q. Please describe the Company's proposal to "reestablish" an annual accrual for the Company's storm damage reserve.**

A. The Company proposes to recover through base rates an annual storm damage expense accrual amount of $148.667 million ($150 million total Company). This request has a revenue requirement effect of $149.162 million. The Company presently recovers no storm damage expense through base rates. Instead, the Company presently recovers storm damage expense through a surcharge. The Company does not propose a reduction in the surcharge amounts.

The Company's rate request is sponsored by Company witness Mr. Armando Pimentel, but it is based on a probabilistic loss analysis performed by Company witness Mr. Stephen P. Harris of ABS Consulting using a proprietary probabilistic simulation model.

**Q. Please describe the Commission's historic framework for FPL's recovery of its storm damage costs.**

A. Prior to its Order approving the settlement of the 2005 rate case, the Commission historically allowed recovery of storm damage costs in base rates through a storm damage expense accrual. This expense amount was recovered from ratepayers and added to the storm damage reserve. When actual storm damage costs were incurred, FPL charged these costs to the reserve, regardless of whether they were costs that normally would be capitalized to plant or expensed and regardless of whether they were "incremental" to costs that already were recovered through base rates.

At any point in time, the storm damage reserve is in either a surplus or a deficiency. The Company's storm damage reserve historically was in a surplus until a series of severe hurricanes and storms in 2004 depleted the reserve and the storm damage reserve became a deficiency. The Commission authorized a provisional storm restoration surcharge in Docket No. 041291-EI, which it affirmed in Order No. PSC-05-0937-FOF-EI, to provide the Company recovery of the reserve deficit over three years. In addition, the Commission required a change in the types of costs that could be charged to the reserve, thus reducing the amount of annual expense accrual and the target reserve levels, all else equal. The Commission determined that only "incremental" storm damage costs could be charged to the reserve. This change meant that costs normally capitalized to plant in service no longer could be charged against the storm damage reserve and were required to be capitalized to plant in service. This change also meant that other costs recovered in base rates could not be charged against the storm damage reserve to avoid recovering the same costs twice.

The Commission also changed the form of storm damage recovery in 2005 by removing all such recoveries from base rates and instead providing all recoveries through a storm damage surcharge rider. In the Company's last base rate increase proceeding, Docket No. 050045-EI, the parties reached a settlement whereby the Company no longer would recover a storm damage expense accrual through base rates. Instead, the Company was permitted to recover its reasonable and prudently incurred storm restoration costs and to replenish the storm damage reserve through a surcharge pursuant to a newly approved securitization financing law (Section 366.8260, Florida Statutes) and/or through a surcharge similar to the one approved for storm damage recovery in 2004. The Commission approved this settlement agreement by Order No. PSC-05-0902-S-EI on September 14, 2005.

The Commission affirmed this change in the form of recovery from base rates to a surcharge in yet another proceeding to recover the Company's storm damage costs that it incurred in 2005. These costs were incurred as the result of several more severe hurricanes that resulted in significant storm damage losses and another storm damage reserve deficiency. To recover these storm damage costs, the Company sought surcharge recovery of the costs based on the issuance of low-cost securitization financing sufficient to recover not only the costs incurred but also to replenish the storm damage reserve. The surcharge in conjunction with securitization financing was made possible by a statute newly enacted for the express purpose of reducing the costs to ratepayers of storm damage loss recovery. In Order No. PSC-06-0464-FOF-EI, the Commission approved a levelized surcharge to recover the securitization and related costs over a 12 year period, approved the recovery of only "incremental" costs despite the Company's request for costs that otherwise would have been capitalized to plant in service or that otherwise were already recovered in base rates, approved the securitization financing, and approved the replenishment of the reserve fund in excess of the storm damage reserve deficiency by $200 million while rejecting the Company's request for $650 million. The Commission summarized its decision in Order No. PSC-06-0464-FOF-EI as follows:

> **In this Financing Order, we find that the issuance of storm-recovery bonds and the imposition of related storm-recovery charges to finance the recovery of FPL's reasonable and prudently incurred storm-recovery costs, the replenishment of FPL's storm-recovery reserve, and related financing costs are reasonably expected to significantly mitigate rate impacts to customers as compared with alternative methods of recovery of storm-recovery costs and replenishment of the storm-recovery reserve.** [Order at 5].

Regarding its decision to limit recovery to only "incremental" storm damage costs, the Commission stated:

> **Under FPL's Actual Restoration Cost Approach, all costs – both normal and incremental – that were related to storm damage activities are charged to FPL's Reserve. We find that the inclusion of**

> **normal costs results in a double recovery, once through base rates and again through the Reserve. Accordingly, we find that an incremental cost approach, including an adjustment to remove normal capital costs, is the appropriate methodology to be used for booking FPL's 2005 storm-recovery costs to its Reserve.** [*Id.*, 17].

Regarding its decision to limit the replenishment of the reserve to $200 million rather than FPL's request for $650 million, the Commission stated the following:

> **Given that FPL has the opportunity to seek recovery of future storm restoration costs through either a surcharge or securitization pursuant to the 2005 Settlement Agreement and applicable law, and given the preference of FPL's customers to face that risk when such costs actually materialize, we decline to approve funding of FPL's Reserve to a level of $650 million through the storm-recovery bonds authorized to be issued under the terms of this Order. We find that funding FPL's Reserve to a level of $200 million is appropriate and will (i) reduce the incidental costs associated with issuance of the storm-recovery bonds authorized to be issued under the terms of this Order, (ii) provide more critical review of FPL's charges to its Reserve, and (iii) result in lower overall storm-recovery charges at this time.** [*Id.*, 25].

Finally, the Commission found that the storm damage surcharge in conjunction with securitization resulted in a significant reduction in the rate impacts to ratepayers compared to more traditional methods of financing or recovering storm-recovery costs and replenishing the reserve. The Commission stated the following:

> **Thus, we find that the issuance of the storm-recovery bonds and the imposition of the storm-recovery charges authorized by this Order are reasonably expected to significantly mitigate rate impacts to customers as compared with alternative, more traditional methods of financing or recovering storm-recovery costs and replenishing the Reserve. Likewise, through implementation of the required standards and procedures established in this Order, we find that the structuring,**

> **marketing, pricing, and financing costs of the storm-recovery bonds are reasonably expected to significantly mitigate rate impacts to customers as compared with alternative methods of financing or recovery storm-recovery costs and replenishing the Reserve.** [*Id.*, 32].

**Q. Should the Commission revert to the recovery of storm damage expense through base rates?**

A. No. There is no reason for the Commission to revisit its conclusions in the Orders previously cited resulting in the exclusive use of surcharge recoveries in conjunction with securitization to minimize the costs to ratepayers. The Commission should continue to use the surcharge approach in conjunction with securitization of unusually large storm restoration costs resulting in storm damage reserve deficiencies. The use of a surcharge approach in conjunction with securitization provides the Company full and timely recovery of prudently incurred storm damage costs, avoids the need to engage in speculation regarding future storm damage costs, and results in substantially lower costs to ratepayers.

The present storm damage surcharge not only provides the Company recovery of its prior storm damage reserve deficiencies, but also provides recovery of $200 million in future storm damage amounts. That is because the Company's securitization financing provided a "replenishment" of the storm damage reserve in the amount of $200 million. The surcharge is designed to recover the debt service not only to repay FPL for its actual prudently incurred storm restoration costs prior to that date, but also to fund the additional $200 million to the reserve available for future storm damage cost. The Company estimates on MFR

Schedule B-21 that the test year storm damage reserve will have a surplus of $192.966 million after adding the earnings on that $200 million and subtracting charges for subsequent storm damage amounts charged to the reserve since the securitization financing.

To the extent that there are severe storms that deplete this reserve surplus in the future, then the Commission can reset the storm damage surcharge or establish a new surcharge, and authorize the Company to securitize the storm damage reserve deficiency at that time, including amounts necessary to replenish the reserve.

The surcharge approach also avoids the need to engage in speculation over an appropriate storm damage expense amount to include in base rates. The most sophisticated models, including the ABS probabilistic simulation model employed by Company witness Mr. Harris, cannot possibly accurately predict the magnitude or the timing of actual storm damage costs.

Finally, the use of the surcharge approach in conjunction with securitization financing is the least cost and most economically efficient approach. This is true for several reasons. First, the use of the surcharge approach to recover the securitization debt service ensures that there is no tax penalty because the revenues match the expense. In contrast, the recovery of excessive expense accruals through base rates to prefund a surplus in the storm damage reserve results in a tax penalty because such recoveries are included in taxable income, but the expense accrual is not deductible from taxable income (only actual costs incurred are deductible). Under the Company's approach, there is an immediate tax penalty of 38.58% (combined federal and state income tax rate) against the storm damage expense accrual amounts collected through base rates that reduces the amount that can be funded to the reserve. Thus, under the Company's approach, ratepayers are required to make unnecessary payments to the federal and state governments and then are penalized further through a reduction in the actual funds in the storm damage reserve fund that can earn income.

Second, the surcharge approach in conjunction with securitization allows significant savings to ratepayers by using 100% highly rated and lower cost securitization debt instead of financing reserve deficiencies with conventional financing. The costs of conventional financing include a combination of higher cost debt and an even greater cost of common equity, including the income taxes on the return on common equity.

Third, the use of the surcharge approach minimizes the investment the ratepayers must make in the storm damage reserve and the lost return on their investment by comparison to the Company's return on its rate base investment. The earnings on the storm damage reserve funds are extremely low due to the nature of the investments and the need to maintain liquidity. Thus, while ratepayers will be required to pay the Company an 11.80% return before tax on its rate base investments (based on its request in this proceeding), ratepayers will earn only a

7.2% return before tax on their investment in the storm damage reserve fund (based on the Company's trust fund earnings assumptions reflected on MFR Schedule B-21).

Q. **If the Commission determines that there should be some amount of storm damage expense recovery through base rates, should it adopt the Company's proposed $148.667 million amount?**

A. No. The proposed $148.667 million expense amount is wildly excessive and should be set at $0 if the Commission deems it appropriate to reconsider the form of storm damage expense recovery in this proceeding. First, the proposed amount is based on an insurance-type probabilistic model of risk exposure and replacement property damage. This type of analysis may be appropriate for the insurance industry, but it does not reflect the substance or form of the ratemaking process, or more specifically, this Commission's ratemaking for storm damage costs.

Unlike the insurance companies, it is not necessary for the Company to preemptively recover excessive amounts through rates in order to build up a loss reserve or a "cushion" for potential significant future losses. This is true because the Commission has stated repeatedly in its orders that the Company is entitled to recovery of its reasonable and prudently incurred storm damage costs, regardless of whether there is a sufficient amount in the storm damage reserve. If there is a deficiency, then the Commission historically has allowed the Company to recover the deficiency through a surcharge.

In addition, the analysis performed and the quantification provided by Company witness Mr. Harris is overstated because it is not based on the "incremental" cost for which the Commission allows recovery. Instead, his analysis provides a gross damages estimate comparable to what the Company in prior storm damage proceedings referred to as an "actual restoration cost approach." The Commission rejected this approach in the two most recent storm damage orders that I previously addressed and instead adopted the "incremental" cost approach. The incremental cost approach excludes all costs that otherwise would be capitalized to plant in service and excludes all costs already recovered through base rates, such as the litany of such costs identified and removed by the Commission in its PSC-06-0464-FOF-EI Order.

Finally, the analysis performed by Mr. Harris is overstated because it is based on the Company's proposal for a target reserve surplus of $650 million. The Commission previously rejected that approach and specifically rejected the $650 million target amount and found that a $200 million reserve surplus was reasonable. There is no valid reason for the Commission to revisit its most recent determination on this issue.

**Depreciation Expense - New Customer Information System**

**Q. Please describe the depreciation expense included in the Company's test year for the development of a new customer information system.**

A. The Company included $0.504 million in depreciation expense on capitalized plant in service costs for a new CIS. This has a revenue requirement effect of $0.506 million. The Company expects to commence development of the new CIS in January 2010 and to complete and implement it in June 2012. The Company provided a summary of its development schedule in response to SFHHA Interrogatory 287 and the depreciation expense included in the test year revenue requirement in response to SFHHA Interrogatory 288. I have attached a copy of each of these responses as my Exhibit___(LK-21) and Exhibit___(LK-22), respectively.

**Q. Should the Company have included depreciation expense for the new CIS in the test year?**

A. No. The new CIS is not scheduled to be implemented ("go live") until June 2012, according to its response to SFHHA Interrogatory 287. No amounts should be transferred from construction work in progress to plant in service until the date the new system is placed in service. Consequently, depreciation expense should not commence until June 2012 in accordance with generally accepted accounting principles ("GAAP") and the Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts ("USOA").

**<u>Depreciation Expense – Capital Expenditure Reductions</u>**

**Q. In the Rate Base section of your testimony, you address capital expenditure reductions and the effects on rate base and the revenue requirement. Is there also a related effect on depreciation expense?**

A. Yes. A reduction in the plant in service amounts for the test year will result in less depreciation expense than reflected in the Company's projected test year amounts.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce depreciation expense by $26.883 million and to reduce the revenue requirement by $26.719 million. I address the effects on rate base and the resulting reduction in the revenue requirement related to that component in the rate base section of my testimony. The computations are detailed on my Exhibit___(LK-25). I used a composite depreciation rate for all plant accounts to compute the reduction in depreciation expense based on the assumption that the reduction in the plant investment due to capital expenditure reductions was proportional to the Company's plant investment reflected in its depreciation study.

## Depreciation Expense – Depreciation Reserve Surplus

**Q. Does the Company presently have a depreciation reserve surplus?**

A. Yes. Despite the reduction of the Company's reserve surplus over the last four years by $500 million ($125 million annually from 2006 through 2009) as the result of the settlement reached in Docket Nos. 050045-EI and 050188-EI, the

Company still has an estimated reserve surplus of $1,245 million at January 1, 2010. The Company's computations of the reserve surplus are summarized on page 53 of the depreciation study attached to Mr. C. Richard Clarke's Direct Testimony as Exhibit CRC-1. I have attached a copy of this page from the Company's depreciation study as my Exhibit__(LK-26) for reference purposes.

The Company has a depreciation reserve surplus for every functional plant category, except for transmission plant. The following table summarizes the composition of the reserve surplus computed by the Company at December 31, 2009 by functional plant category.

**Florida Power & Light Company**
**Excess Reserve as of December 31, 2009**
**($ Millions)**

| Function | Excess Reserve |
|---|---|
| Steam Generation | 410.110 |
| Nuclear Generation | 377.507 |
| Combined Cycle Generation | 25.945 |
| Combustion Turbine Generation | 28.028 |
| Transmission | (15.637) |
| Distribution | 340.529 |
| General | 78.879 |
| Total Excess Depreciation Reserve | 1,245.360 |

**Q. How should the Commission address the reserve surplus in this proceeding?**

A. I recommend that the Commission amortize the reserve surplus over five years in a manner similar to that which it approved in Order No. PSC-05-0902-S-EI approving the settlement in the Company's 2005 rate case. In that proceeding, the Company was allowed to amortize $125 million of its reserve surplus as a reduction to depreciation expense each year from 2006 through 2009 for a cumulative total of $500 million. The Company did so and allocated the amortization over the plant accounts on a *pro rata* basis to reduce the actual depreciation expense and accumulated depreciation recorded on its accounting books each year.

**Q. Why is it appropriate to amortize the reserve surplus over a five year period?**

A. The Commission should attempt to refund this surplus over a reasonably short period to as closely as possible return the amounts to the ratepayers who overpaid for depreciation expense in prior years based on prior life and salvage estimates. The reserve surplus means that depreciation expense in prior years was excessive compared to present expectations for the service lives, retirements and salvage estimates of plant assets.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce depreciation expense by $246.735 million and to reduce the revenue requirement by $247.556 million. In addition, there is an offsetting increase of $14.559 million in the revenue requirement for the rate of return on the rate base, which will be more than the Company projected due to the reduction in accumulated depreciation. The computations are detailed on my Exhibit___(LK-27).

## Depreciation Expense – Capital Recovery

**Q. Please describe the Company's request for "capital recovery" of certain plant investment costs.**

A. The Company proposes a four year amortization of the net book value of numerous costs as of December 31, 2009. These costs include the remaining undepreciated costs of the Cape Canaveral Units 1 and 2 and common, the Riviera Units 3 and 4 and common; the remaining undepreciated nuclear uprate costs of St. Lucie Units 1 and 2 and Turkey Point Units 3 and 4 and common; and the undepreciated costs of the Company's existing meter investment that will be replaced with advanced meters under the Company's advanced metering initiative ("AMI").

The Company plans to remove the Cape Canaveral facilities from service in 2010 and commence a "modernization" of the facilities as combined cycle units. Similarly, the Company plans to remove the Riviera facilities from service in 2011 and commence a modernization of the Riviera facilities as combined cycle units. The Company simply proposes to amortize the nuclear uprate costs over four years with no rationale provided by any witness. Finally, the Company plans to amortize the remaining investment in its existing meters over four years due to its planned AMI meter deployment.

The following table summarizes the net book value at December 31, 2009 of each of these capital recovery costs and the Company's proposed depreciation expense based on a four year capital recovery period.

**Florida Power & Light Company**
**Unrecovered Capital Costs as of December 31, 2009**
**($ Millions)**

| Description | Unrecovered Costs |
|---|---|
| Cape Canaveral Common | 3.539 |
| Cape Canaveral Unit 1 | 23.148 |
| Cape Canaveral Unit 2 | 8.616 |
| Riviera Common | 0.057 |
| Riviera Unit 1 | 5.664 |
| Riviera Unit 2 | 3.883 |
| St. Lucie Unit 1 | 40.821 |
| St. Lucie Unit 2 | 37.448 |
| Turkey Point Common | 2.149 |
| Turkey Point Unit 3 | 43.931 |
| Turkey Point Unit 4 | 43.886 |
| Acct 370 Meters Made Obsolete by AMI | 101.082 |
| Total Unrecovered Costs | 314.223 |

Q. **Should the Commission authorize depreciation over a four year period for the undepreciated costs of the Cape Canaveral and Riviera facilities?**

A. No. The Commission should direct the Company to cease depreciation on these facilities, add the remaining net book value to the costs of the modernization, and then depreciate the costs along with the modernization costs over the estimated service lives of the modernized facilities. The Company's witnesses have offered no valid rationale to accelerate the recovery of these capital costs to four years.

To the extent the facilities are retired for property accounting purposes, the retirement amounts will be used to reduce gross plant in service and accumulated depreciation by the same amounts in accordance with GAAP and the FERC USOA. In this manner, the remaining net plant associated with these facilities will be reflected as an asset amount of accumulated deprecation. In addition, depreciation expense will cease because there no longer will be any gross plant in service.

Once the modernization is completed, then the Commission should allow the Company to recover both the modernization costs and the asset accumulated depreciation related to the retired assets over the expected service lives of the new facilities. This is similar in concept to the cost of reacquiring debt and replacing it with lower cost debt. In that situation, the cost of reacquiring the old debt is deferred and then amortized over the life of the new debt issue.

Alternatively, the Commission should direct the Company to defer the net remaining book value at December 31, 2009 and then amortize the deferred amounts using the existing depreciation rates.

**Q. Should the Commission authorize depreciation over a four year period for the nuclear uprate costs incurred through December 31, 2009?**

A. No. The Commission should depreciate these costs over the remaining extended license life of the nuclear units. These costs are capital costs that were incurred to substantially improve and increase the output of the nuclear facilities over their extended lives. There is no valid reason that these capital costs should be segregated from the other capital costs of these facilities and depreciated over any period shorter than their estimated useful service lives in the same manner as any other capitalized plant cost.

**Q. Should the Commission authorize depreciation over a four year period for the existing meter investment?**

A. No. The Commission should use the same depreciation or amortization rate for these costs as it adopts for the remaining existing meter investment that will not be replaced by AMI meters. There is no valid reason to accelerate the recovery of the Company's existing meter investment, particularly when the Company's revenue requirement also includes the costs of the replacement AMI meters. The Company's proposal has the effect not only of "doubling up" the recovery of old non-AMI and new AMI meter investment, but also of accelerating the recovery of the old meter investment from the present recovery using a 3.26% depreciation rate to a 25% depreciation rate.

**Q. Have you quantified the effect of your recommendations on the Company's proposed capital recovery amounts?**

A. Yes. The effect is to reduce depreciation expense by $63.394 million and to reduce the revenue requirement by $63.605 million for the three capital recovery components. In addition, there is an offsetting increase in the revenue requirement of $3.741 million to reflect the return on rate base resulting from the reduction in accumulated depreciation compared to the Company's requested rate base amount. The expense and rate base revenue requirement effects are shown separately in the table in the Summary section of my testimony. The computations are detailed on my Exhibit___(LK-28).

<u>**Depreciation Expense – Service Lives**</u>

**Q. Please describe the Company's proposed service lives used to develop the depreciation rates and depreciation expense for its combined cycle generating facilities, including WCEC 1 and 2, reflected in its requested test year revenue requirement and for the WCEC 3 facilities reflected in its proposed GBRA.**

A. The Company proposes a service life of 25 years for all such facilities, except for those that would be retired prior to June 2020 if it had continued to use that service life assumption for those facilities, or ten years after the test year, according to the depreciation study attached to the Direct Testimony of C. Richard Clarke as his Exhibit CRC-1. The Company offered no support for the proposed 25 year service life.

**Q. Is the Company's proposed 25 year service life reasonable?**

A. No. I recommend a 40 year service life. The service life used for depreciation purposes should reflect the expected useful life of the facility, not some arbitrary shorter period. The Company proposes depreciation rates assuming 25 year service lives based on probable retirement dates 25 years after the commercial in-service dates for its combined cycle units with the exception of the Putnam units.

The Putnam 1 unit went into commercial operation in 1977 and Putnam 2 in 1978, according to the Company's FERC Form 1. I have attached a copy of page 402 from the Company's 2008 Form 1 filing as my Exhibit___(LK-29). The Company originally claimed that the units had a service life of 25 years for depreciation purposes and the Commission set depreciation rates based on that assumption. However, Putnam 1 was not retired in 2002 and Putnam 3 was not retired in 2003, their respective 25th anniversary dates and the assumed end of their service lives. Instead, the Company continues to operate both units. The Company now asserts that the Putnam 1 and 2 units both have a probable retirement date of June 2020 for depreciation purposes, which means that the Company has no plans to retire the units before that date and may continue to operate the units beyond that date. The June 2020 retirement date indicates that the Putnam 1 unit has a service life of at least 43 years and Putnam 2 of at least 42 years. The Company provided this information on page 132 of Company witness Mr. C. Richard Clarke's Exhibit CRC-1, the Company's depreciation study. I have attached a copy of this page as my Exhibit___(LK-30) for reference purposes. These probable retirement dates for the Putnam units demonstrate that in reality the Company's combined cycle units have service lives of at least 40 years.

In addition to the experience of the Company's own units, other utilities use a 40 year service life for planning and depreciation purposes. For example, PacifiCorp uses a 40 year life for its combined cycle combustion turbine facilities. I have attached a copy of the cover and the relevant page from PacifiCorp's 2008 IRP, which shows PacifiCorp's service life assumptions for such facilities used in its resource planning process, as my Exhibit___(LK-31).

Finally, as a practical matter, utilities do not retire generating units if they remain economic to generate. Thus, the Commission should assume that the Company will continue to operate these units for at least 40 years unless the Company can demonstrate conclusively that they will be operated only for 25 years.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce depreciation expense by $123.319 million and to reduce the revenue requirement by $123.730 million. In addition, there is an offsetting increase in the revenue requirement of $7.726 million to reflect the return on rate base resulting from the reduction in accumulated depreciation compared to the Company's requested rate base amount. The expense and rate base revenue requirement effects are shown separately in the table in the Summary section of my testimony. The computations are detailed on my Exhibit___(LK-32).

Income Tax Expense – Economic Stimulus Bill

**Q. Has the Company reflected any of the tax benefits resulting from the federal Economic Stimulus Bill in its filing?**

A. No. Company witness Ms. Ousdahl acknowledged that "many provisions of the bill are effective for the 2009 tax year," but stated that "[a] this time, the Company has not quantified or captured the potential benefits." [Ousdahl Direct at 36].

**Q. Should the tax benefits resulting from the American Recovery and Reinvestment Act of 2009 ("Stimulus Bill") be reflected in the Company's revenue requirement?**

A. Yes. There are numerous provisions that provide grants or other subsidies for utility investment in generation, transmission and distribution infrastructure. Many of the provisions are effective already in 2009 and extend into subsequent years.

**Q. Should these tax benefits be reflected in the Company's revenue requirement?**

A. Yes. At a minimum, the Commission should reflect a $20 million grant available to the Company to reduce the costs of advanced (AMI) meters and other smart grid investment. The Company's filing includes the costs of deploying advanced meters and the related smart grid infrastructure. It is axiomatic that any grants or other savings resulting from that deployment should be used to reduce the costs included in the revenue requirement.

The Stimulus Bill modified the provisions of the Energy Independence and Security Act ("EISA") of 2007 addressing smart grid technology deployment. Section 405 of the Stimulus Bill modified Section 1304 of the EISA to provide a subsidy of up to 50% (up from 20% under EISA) of the cost of smart grid technology deployment in the form of grants to utilities for qualified costs. The Department of Energy ("DOE") issued a draft notice of its "Funding Opportunity Announcement (FOA) for the Smart Grid Investment Grant Program" providing for grants of up to $20 million for this purpose, although I was recently informed by an AEP employee in another rate proceeding that the $20 million cap has been removed and more grant funds are available.

**Q. Has the Company applied to the DOE for the matching grants for smart grid investment?**

A. Yes. The website <u>www.smartmeter.com</u> reported on April 20, 2009 that FPL planned to install a million fully functioning "smart meters" for all Miami residents within the next two years. The article reported that "[t]he utility is applying for a matching grant from the stimulus package that Hay [FPL CEO Lewis Hay] says will allow FP&L to complete the project within two years." I have attached a copy of the article as my Exhibit___(LK-33).

**Q. Should the Commission incorporate this benefit in the revenue requirement even if the Company has not yet received grant funds?**

A. Yes. The entire test year is a projection of the Company's revenues and costs based on assumptions. The Commission should assume that the Company will seek these funds and obtain the maximum amount available to individual utilities. The alternative is to assume that the Company will not seek these funds and/or will not obtain any funding. On the spectrum of possibilities, the probability of the former, while not certain because it represents an assumption regarding the future, is far greater than the latter. Alternatively, but with essentially the same result, the Commission could exclude at least $20 million from the Company's proposed rate base and the related depreciation expense and instead allow the Company to defer $20 million of its AMI deployment costs to this account rather than capitalizing it to plant in service. The deferred asset amount then would be reduced by the entirety of any grants received from the DOE. Any residual (positive or negative) could be included by the Company in rate base in a future rate proceeding.

**Q. Have you quantified the effect of your recommendation to include the DOE smart grid grant of $20 million?**

A. Yes. The effect is to reduce the Company's proposed revenue requirement by $3.846 million. I quantified this effect in two steps. First, I computed the reduction in depreciation expense by applying the Company's proposed depreciation rate for the new AMI meters of 7.97% to the $20 million grant amount. This had the effect of reducing depreciation expense by $1.579 million on a jurisdictional basis and reducing the revenue requirement by $1.584 million. Second, I computed the reduction in the return by multiplying the Company's proposed 11.80% grossed-up rate of return times the net reduction in rate base of $19.210 million (reflecting half year of depreciation expense in accumulated depreciation). This had the effect of reducing the Company's revenue requirement by an additional $2.267 million. The computations are detailed on my Exhibit___(LK-34).

**Q. How should the Commission address other tax benefits resulting from the Stimulus Bill?**

A. The Commission should direct the Company to capture and defer as a regulatory liability all tax benefits that obtained, but for which the Company failed to reflect the estimated savings in its requested revenue requirement. The Commission then should use these amounts to reduce the Company's revenue requirement in a subsequent rate proceeding. The Commission should require that the Company document these tax benefits along with its efforts to maximize the value of those tax benefits for the Commission's review in a subsequent rate proceeding.

## III. RATE BASE ISSUES

**Capital Expenditure Reductions Since Budgets/Forecasts Were Developed**

**Q. Has the Company cut its actual capital expenditures significantly from budgeted levels to date in 2009?**

A. Yes. For the first four months of 2009, the Company cut its capital expenditures by $170 million from budget levels, from $897 million to $727 million. This is a reduction of 19.0% or $529 million on an annual basis compared to the Company's $2,790 million 2009 capital expenditure budget. The actual and budget amounts were provided in response to SFHHA Interrogatory 279, a copy of which I have attached as Exhibit___(LK-35). These reductions are in addition to $469 million in capital expenditure reductions already incorporated in the 2009 approved budget compared to the 2009 proposed budget, according to FPL witness Barrett's Exhibit REB-16.

**Q. Should the Commission reflect these cost reductions in the 2010 test year revenue requirement?**

A. Yes. The Company's plant investment included in rate base should be reduced to reflect these capital expenditure reductions on an annualized basis, both for the annualized 2009 reductions carried forward into 2010 and for reductions of similar magnitude in 2010.

**Q. Have you quantified the effect of your recommendations?**

A. Yes. The effect is to reduce gross plant included in rate base by $784 million and the revenue requirement by $92.520 million based on the Company's proposed rate of return. In addition, there is an offsetting reduction to accumulated depreciation that increases rate base by $31.080 million and increases the revenue requirement by $3.668 million. The computations are detailed on my Exhibit___(LK-25). I discuss the related depreciation expense effect in the Operating Income section of my testimony.

<u>**Capital Recovery and Related Accumulated Depreciation**</u>

**Q. Have you quantified the effect of your depreciation expense recommendations on rate base and the related revenue requirement?**

A. Yes. The effect of this issue is to reduce rate base by $31.697 million and the revenue requirement by $3.741 million. The quantifications are detailed on my Exhibit___(LK-28). I discuss the related depreciation expense effects in the Operating Income section of my testimony.

<u>**Depreciation Lives and Related Accumulated Depreciation**</u>

**Q. Have you quantified the effect of your depreciation expense recommendations on rate base and the related revenue requirement?**

A. Yes. The effect of this issue is to increase rate base by $61.660 million and the revenue requirement by $7.276 million. The quantifications are detailed on my Exhibit___(LK-32). I discuss the related depreciation expense effects in the Operating Income section of my testimony.

# IV. CAPITAL STRUCTURE AND RATE OF RETURN ISSUES

## Capital Structure – Common Equity

**Q. SFHHA witness Mr. Richard Baudino recommends adjustments to the Company's proposed capital structure that reduce the common equity ratio and increase the debt ratio used to develop the rate of return applied to rate base. Have you quantified the effect of Mr. Baudino's recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $121.424 million. I computed the revenue requirement effect in three steps. First, I computed the Company's requested rate of return grossed-up for income taxes on the equity component. Second, I computed Mr. Baudino's adjusted rate of return grossed-up for income taxes on the equity component. Third, I computed the revenue requirement by multiplying the difference in the two rates of return times the rate base that I recommend. The computations are detailed on my Exhibit___(LK-36) in Sections I and II.

## Capital Structure – Short Term Debt

**Q. SFHHA witness Mr. Baudino recommends adjustments to the Company's proposed capital structure that increase the short term debt ratio and reduce the long term debt ratio used to develop the rate of return applied to rate base. Have you quantified the effect of Mr. Baudino's recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $11.018 million in addition to the reduction from the first of Mr. Baudino's capital structure recommendations. I computed the revenue requirement effect in the same manner as for the first of Mr. Baudino's recommendations. The computations are detailed on my Exhibit___(LK-36) in Sections II and III.

**Capital Structure – Accumulated Deferred Income Taxes Related to FIN 48**

**Q. Should the Commission increase the amount of accumulated deferred income taxes reflected in the Company's proposed capital structure?**

A. Yes. The Company inappropriately has reduced the ADIT included in its proposed capital structure by $168.598 million for the effects of FIN 48. The Company provided this amount in response to SFHHA Interrogatory No. 278, a copy of which I have attached as my Exhibit___(LK-37). FIN 48 is a new accounting standard that was implemented by the Company in 2007. FIN 48 requires the Company to establish a "reserve" for future income tax audit adjustments that may increase the Company's income tax liability and thus reduce the ADIT recorded on its accounting books. The FIN 48 adjustment reduces the net liability ADIT reflected in the Company's proposed capital structure as cost free capital.

**Q. Why should the Commission restore the full amount of the net liability ADIT and exclude the FIN 48 adjustment in the capital structure?**

A. There are several reasons. First, the FIN 48 adjustment does not actually reduce the Company's cost free capital. It is nothing more than the Company's educated guess at the outcome of the Company's future tax audits for deductions that already have been taken and that already are reflected in its tax returns. Second, if the Company's educated guess was pessimistic, then there never will be a ratepayer true-up for the lost return because of the assumption that the Company had less cost-free capital than it actually had. Third, the Commission has not previously reduced the Company's ADIT for potential future audit adjustments. Fourth, to the extent that there are future audit adjustments that actually reduce the tax benefits reflected in the ADIT amounts, then the per books amounts will be properly reduced for those effects in future rate proceedings. Thus, the Company's adjustment is speculative at best, and completely unnecessary as the Company will be fully protected if and when there are actual audit adjustments.

Q. **Have you quantified the revenue requirement effect of your recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $17.643 million in addition to the reductions due to Mr. Baudino's capital structure recommendations. To compute this effect, I increased the ADIT included in the capital structure by the FIN 48 amount, computed the difference between the resulting grossed-up rate of return and the grossed-up rate of return reflecting only Mr. Baudino's capital structure adjustments and then multiplied this difference times the rate base that I recommend. The computations are detailed on my Exhibit___(LK-36) in Sections III and IV.

**Capital Structure – Customer Deposits and Accumulated Deferred Income Taxes**

**Q. Are there other adjustments that should be made to the Company's proposed capital structure?**

A. Yes. The Company has improperly diluted the low-cost capital provided by customer deposits and the cost-free capital provided by ADIT by allocating the sum of the prorata adjustments to these capital components.

**Q. Why is this improper?**

A. These capital amounts should be directly assigned to ratepayers in the same manner as if the amounts had been used to reduce rate base. Customer deposits and ADIT were not used to finance the amounts that comprise the total of the prorata adjustments detailed on MFR Schedule D-1B. The prorata adjustments detailed on MFR Schedule D-1B are primarily to reconcile the total capitalization to rate base, which excludes certain construction work in progress and the capital costs recovered through various riders.

**Q. Have you quantified the revenue requirement effect of your recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $48.695 million in addition to the reductions due to the SFHHA capital structure recommendations that I previously quantified. To compute this effect, I reallocated the prorata adjustments to all capital components except customer deposits, ADIT and investment tax credits. I then computed the difference between the resulting grossed-up rate of return and the grossed-up rate of return reflecting the prior SFHHA capital structure recommendations and multiplied this difference times the rate base that I recommend. The computations are detailed on my Exhibit___(LK-36) in Sections IV and V.

**Capital Structure – Accumulated Deferred Income Taxes Related to Changes in Depreciation Expense**

Q. **Is it necessary to change the ADIT included in the capital structure to reflect the changes in depreciation expense and accumulated depreciation that your recommend?**

A. Yes. If depreciation expense and accumulated depreciation are reduced from the levels proposed by the Company for the adjustments to those amounts that I previously discussed, then there also must be an increase to the related ADIT compared to the levels proposed by the Company in the capital structure. In other words, a reduction in depreciation expense results in an increase in deferred income tax expense and thus, an increase in ADIT.

Q. **Have you quantified the revenue requirement effect of your recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $8.909 million in addition to the reductions due to the SFHHA capital structure recommendations that I previously quantified. To compute this effect, I increased the ADIT by multiplying the Company's 38.58% combined federal and state income tax rate times the net reduction in accumulated depreciation resulting from my depreciation expense recommendations. I then computed the difference between the resulting grossed-up rate of return and the grossed-up rate of return reflecting the prior SFHHA capital structure recommendations and multiplied this difference times the rate base that I recommend. The computations are detailed on my Exhibit___(LK-36) in Sections V and VI.

<u>**Return on Common Equity**</u>

**Q. Have you quantified the revenue requirement effect of SFHHA witness Mr. Baudino's return on equity recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $232.610 million in addition to the reductions due to the SFHHA capital structure recommendations that I previously quantified. To compute this effect, I substituted Mr. Baudino's return on equity for the Company's requested 12.50% return on equity. I then computed the difference between the resulting grossed-up rate of return and the grossed-up rate of return reflecting the prior SFHHA capital structure recommendations and multiplied this difference times the rate base that I recommend. The computations are detailed on my Exhibit___(LK-36) in Sections VI and VII.

<u>**Cost of Short-Term Debt**</u>

**Q. Have you quantified the revenue requirement effect of SFHHA witness Mr. Baudino's cost of short term debt recommendation?**

A. Yes. The effect is to reduce the Company's revenue requirement by $11.785 million in addition to the reductions due to the SFHHA capital structure and return on equity recommendations that I previously quantified. To compute this effect, I substituted Mr. Baudino's proposed 0.60% cost of short term debt for the Company's 2.96% cost of short term debt. I then computed the difference between the resulting grossed-up rate of return and the grossed-up rate of return reflecting the prior SFHHA capital structure recommendations and multiplied this difference times the rate base that I recommend. Finally, I offset this reduction due only to the interest rate differential to include the $1.661 million in annual interest expense for the facility and administrative fees for the Company's credit term loan facilities, which increases the Company's interest expense to include these fees and increases the revenue requirement. I obtained these amounts from the Company's response to SFHHA Interrogatory 280, a copy of which I have attached as my Exhibit___(LK-38). Mr. Baudino addresses the reasons why the Commission should exclude the facility and administrative fees from the interest rate applied to rate base and instead add the expense separately to the revenue requirement. The computations are detailed on my Exhibit___(LK-36) in Sections VII and VIII.

**Q. Does this complete your testimony?**

A. Yes.

# Public Disclosure Version

**BEFORE THE FLORIDA**
**PUBLIC SERVICE COMMISSION**

**IN RE:**

| | | |
|---|---|---|
| **PETITION FOR RATE INCREASE BY** | **)** | **DOCKET NO. 080677-EI** |
| **FLORIDA POWER & LIGHT COMPANY** | **)** | |

**EXHIBITS**

**OF**

**LANE KOLLEN**

**ON BEHALF OF THE**

**SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.**
**ROSWELL, GEORGIA**

**JULY 2009**

EXHIBIT___(LK-1)

# RESUME OF LANE KOLLEN, VICE PRESIDENT

## EDUCATION

**University of Toledo, BBA**
Accounting

**University of Toledo, MBA**

**Luther Rice University, MA**

## PROFESSIONAL CERTIFICATIONS

**Certified Public Accountant (CPA)**

**Certified Management Accountant (CMA)**

## PROFESSIONAL AFFILIATIONS

**American Institute of Certified Public Accountants**

**Georgia Society of Certified Public Accountants**

**Institute of Management Accountants**

More than thirty years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

## RESUME OF LANE KOLLEN, VICE PRESIDENT

### EXPERIENCE

**1986 to Present:**

J. Kennedy and Associates, Inc.: Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

**1983 to 1986:**

Energy Management Associates: Lead Consultant.
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

**1976 to 1983:**

The Toledo Edison Company: Planning Supervisor.
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.
Construction project cancellations and write-offs.
Construction project delays.
Capacity swaps.
Financing alternatives.
Competitive pricing for off-system sales.
Sale/leasebacks.

# RESUME OF LANE KOLLEN, VICE PRESIDENT

## CLIENTS SERVED

### Industrial Companies and Groups

Air Products and Chemicals, Inc.
Airco Industrial Gases
Alcan Aluminum
Armco Advanced Materials Co.
Armco Steel
Bethlehem Steel
Connecticut Industrial Energy Consumers
ELCON
Enron Gas Pipeline Company
Florida Industrial Power Users Group
Gallatin Steel
General Electric Company
GPU Industrial Intervenors
Indiana Industrial Group
Industrial Consumers for Fair Utility Rates - Indiana
Industrial Energy Consumers - Ohio
Kentucky Industrial Utility Customers, Inc.
Kimberly-Clark Company
Lehigh Valley Power Committee
Maryland Industrial Group
Multiple Intervenors (New York)
National Southwire
North Carolina Industrial Energy Consumers
Occidental Chemical Corporation
Ohio Energy Group
Ohio Industrial Energy Consumers
Ohio Manufacturers Association
Philadelphia Area Industrial Energy Users Group
PSI Industrial Group
Smith Cogeneration
Taconite Intervenors (Minnesota)
West Penn Power Industrial Intervenors
West Virginia Energy Users Group
Westvaco Corporation

### Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

## RESUME OF LANE KOLLEN, VICE PRESIDENT

**Utilities**

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation
Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

# Expert Testimony Appearances of Lane Kollen As of June 2009

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/86 | U-17282 Interim | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements financial solvency. |
| 11/86 | U-17282 Interim Rebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements financial solvency. |
| 12/86 | 9613 | KY | Attorney General Div. of Consumer Protection | Big Rivers Electric Corp. | Revenue requirements accounting adjustments financial workout plan. |
| 1/87 | U-17282 Interim | LA 19th Judicial District Ct. | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements, financial solvency. |
| 3/87 | General Order 236 | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Tax Reform Act of 1986. |
| 4/87 | U-17282 Prudence | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Prudence of River Bend 1, economic analyses, cancellation studies. |
| 4/87 | M-100 Sub 113 | NC | North Carolina Industrial Energy Consumers | Duke Power Co. | Tax Reform Act of 1986. |
| 5/87 | 86-524-E-SC | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Revenue requirements. Tax Reform Act of 1986. |
| 5/87 | U-17282 Case In Chief | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, River Bend 1 phase-in plan, financial solvency. |
| 7/87 | U-17282 Case In Chief Surrebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements River Bend 1 phase-in plan, financial solvency. |
| 7/87 | U-17282 Prudence Surrebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Prudence of River Bend 1, economic analyses, cancellation studies. |
| 7/87 | 86-524 E-SC Rebuttal | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Revenue requirements, Tax Reform Act of 1986. |
| 8/87 | 9885 | KY | Attorney General | Big Rivers Electric | Financial workout plan. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of June 2009**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | Div. of Consumer Protection | Corp. | |
| 8/87 | E-015/GR-87-223 | MN | Taconite Intervenors | Minnesota Power & Light Co. | Revenue requirements, O&M expense, Tax Reform Act of 1986. |
| 10/87 | 870220-EI | FL | Occidental Chemical Corp. | Florida Power Corp. | Revenue requirements, O&M expense, Tax Reform Act of 1986. |
| 11/87 | 87-07-01 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co. | Tax Reform Act of 1986. |
| 1/88 | U-17282 | LA 19th Judicial District Ct. | Louisiana Public Service Commission | Gulf States Utilities | Revenue requirements, River Bend 1 phase-in plan, rate of return. |
| 2/88 | 9934 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Economics of Trimble County completion. |
| 2/88 | 10064 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Revenue requirements, O&M expense, capital structure, excess deferred income taxes. |
| 5/88 | 10217 | KY | Alcan Aluminum National Southwire | Big Rivers Electric | Financial workout plan. Corp. |
| 5/88 | M-87017 -1C001 | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Nonutility generator deferred cost recovery. |
| 5/88 | M-87017 -2C005 | PA | GPU Industrial Intervenors | Pennsylvania Electric Co. | Nonutility generator deferred cost recovery. |
| 6/88 | U-17282 | LA 19th Judicial District Ct. | Louisiana Public Service Commission | Gulf States Utilities | Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling. |
| 7/88 | M-87017--1C001 Rebuttal | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Nonutility generator deferred cost recovery, SFAS No. 92 |
| 7/88 | M-87017--2C005 | PA | GPU Industrial Intervenors | Pennsylvania Electric Co. | Nonutility generator deferred cost recovery, SFAS No. 92 |

## Expert Testimony Appearances
## of
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | Rebuttal | | | | |
| 9/88 | 88-05-25 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co. | Excess deferred taxes, O&M expenses. |
| 9/88 | 10064 Rehearing | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Premature retirements, interest expense. |
| 10/88 | 88-170-EL-AIR | OH | Ohio Industrial Energy Consumers | Cleveland Electric Illuminating Co. | Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital. |
| 10/88 | 88-171-EL-AIR | OH | Ohio Industrial Energy Consumers | Toledo Edison Co. | Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital. |
| 10/88 | 8800 355-EI | FL | Florida Industrial Power Users' Group | Florida Power & Light Co. | Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87). |
| 10/88 | 3780-U | GA | Georgia Public Service Commission Staff | Atlanta Gas Light Co. | Pension expense (SFAS No. 87). |
| 11/88 | U-17282 Remand | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Rate base exclusion plan (SFAS No. 71) |
| 12/88 | U-17970 | LA | Louisiana Public Service Commission Staff | AT&T Communications of South Central States | Pension expense (SFAS No. 87). |
| 12/88 | U-17949 Rebuttal | LA | Louisiana Public Service Commission Staff | South Central Bell | Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization. |
| 2/89 | U-17282 Phase II | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, phase-in of River Bend 1, recovery of canceled plant. |
| 6/89 | 881602-EU 890326-EU | FL | Talquin Electric Cooperative | Talquin/City of Tallahassee | Economic analyses, incremental cost-of-service, average customer rates. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
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| 7/89 | U-17970 | LA | Louisiana Public Service Commission Staff | AT&T Communications of South Central States | Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32. |
| 8/89 | 8555 | TX | Occidental Chemical Corp. | Houston Lighting & Power Co. | Cancellation cost recovery, tax expense, revenue requirements. |
| 8/89 | 3840-U | GA | Georgia Public Service Commission Staff | Georgia Power Co. | Promotional practices, advertising, economic development. |
| 9/89 | U-17282 Phase II Detailed | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, detailed investigation. |
| 10/89 | 8880 | TX | Enron Gas Pipeline | Texas-New Mexico Power Co. | Deferred accounting treatment, sale/leaseback. |
| 10/89 | 8928 | TX | Enron Gas Pipeline | Texas-New Mexico Power Co. | Revenue requirements, imputed capital structure, cash working capital. |
| 10/89 | R-891364 | PA | Philadelphia Area Industrial Energy Users Group | Philadelphia Electric Co. | Revenue requirements. |
| 11/89 12/89 | R-891364 Surrebuttal (2 Filings) | PA | Philadelphia Area Industrial Energy Users Group | Philadelphia Electric Co. | Revenue requirements, sale/leaseback. |
| 1/90 | U-17282 Phase II Detailed Rebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements detailed investigation. |
| 1/90 | U-17282 Phase III | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Phase-in of River Bend 1, deregulated asset plan. |
| 3/90 | 890319-EI | FL | Florida Industrial Power Users Group | Florida Power & Light Co. | O&M expenses, Tax Reform Act of 1986. |
| 4/90 | 890319-EI Rebuttal | FL | Florida Industrial Power Users Group | Florida Power & Light Co. | O&M expenses, Tax Reform Act of 1986. |
| 4/90 | U-17282 | LA | Louisiana Public | Gulf States | Fuel clause, gain on sale |

**Expert Testimony Appearances
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | 19th Judicial District Ct. | Service Commission | Utilities | of utility assets. |
| 9/90 | 90-158 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Revenue requirements, post-test year additions, forecasted test year. |
| 12/90 | U-17282 Phase IV | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements. |
| 3/91 | 29327, et. al. | NY | Multiple Intervenors | Niagara Mohawk Power Corp. | Incentive regulation. |
| 5/91 | 9945 | TX | Office of Public Utility Counsel of Texas | El Paso Electric Co. | Financial modeling, economic analyses, prudence of Palo Verde 3. |
| 9/91 | P-910511 P-910512 | PA | Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group | West Penn Power Co. | Recovery of CAAA costs, least cost financing. |
| 9/91 | 91-231 -E-NC | WV | West Virginia Energy Users Group | Monongahela Power Co. | Recovery of CAAA costs, least cost financing. |
| 11/91 | U-17282 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Asset impairment, deregulated asset plan, revenue requirements. |
| 12/91 | 91-410-EL-AIR | OH | Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers | Cincinnati Gas & Electric Co. | Revenue requirements, phase-in plan. |
| 12/91 | 10200 | TX | Office of Public Utility Counsel of Texas | Texas-New Mexico Power Co. | Financial integrity, strategic planning, declined business affiliations. |
| 5/92 | 910890-EI | FL | Occidental Chemical Corp. | Florida Power Corp. | Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning. |

# Expert Testimony Appearances of Lane Kollen As of June 2009

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 8/92 | R-00922314 | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Incentive regulation, performance rewards, purchased power risk, OPEB expense. |
| 9/92 | 92-043 | KY | Kentucky Industrial Utility Consumers | Generic Proceeding | OPEB expense. |
| 9/92 | 920324-EI | FL | Florida Industrial Power Users' Group | Tampa Electric Co. | OPEB expense. |
| 9/92 | 39348 | IN | Indiana Industrial Group | Generic Proceeding | OPEB expense. |
| 9/92 | 910840-PU | FL | Florida Industrial Power Users' Group | Generic Proceeding | OPEB expense. |
| 9/92 | 39314 | IN | Industrial Consumers for Fair Utility Rates | Indiana Michigan Power Co. | OPEB expense. |
| 11/92 | U-19904 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities/Entergy Corp. | Merger. |
| 11/92 | 8649 | MD | Westvaco Corp., Eastalco Aluminum Co. | Potomac Edison Co. | OPEB expense. |
| 11/92 | 92-1715-AU-COI | OH | Ohio Manufacturers Association | Generic Proceeding | OPEB expense. |
| 12/92 | R-00922378 | PA | Armco Advanced Materials Co., The WPP Industrial Intervenors | West Penn Power Co. | Incentive regulation, performance rewards, purchased power risk, OPEB expense. |
| 12/92 | U-19949 | LA | Louisiana Public Service Commission Staff | South Central Bell | Affiliate transactions, cost allocations, merger. |
| 12/92 | R-00922479 | PA | Philadelphia Area Industrial Energy Users' Group | Philadelphia Electric Co. | OPEB expense. |
| 1/93 | 8487 | MD | Maryland Industrial Group | Baltimore Gas & Electric Co., | OPEB expense, deferred fuel, CWIP in rate base |

**Expert Testimony Appearances of Lane Kollen As of June 2009**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | | Bethlehem Steel Corp. | |
| 1/93 | 39498 | IN | PSI Industrial Group | PSI Energy, Inc. | Refunds due to over-collection of taxes on Marble Hill cancellation. |
| 3/93 | 92-11-11 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co. | OPEB expense. |
| 3/93 | U-19904 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities/Entergy | Merger. Corp. |
| 3/93 | 93-01 EL-EFC | OH | Ohio Industrial Energy Consumers | Ohio Power Co. | Affiliate transactions, fuel. |
| 3/93 | EC92-21000 ER92-806-000 | FERC | Louisiana Public Service Commission | Gulf States Utilities/Entergy Corp. | Merger. |
| 4/93 | 92-1464-EL-AIR | OH | Air Products Armco Steel Industrial Energy Consumers | Cincinnati Gas & Electric Co. | Revenue requirements, phase-in plan. |
| 4/93 | EC92-21000 ER92-806-000 (Rebuttal) | FERC | Louisiana Public Service Commission | Gulf States Utilities/Entergy Corp. | Merger. |
| 9/93 | 93-113 | KY | Kentucky Industrial Utility Customers | Kentucky Utilities | Fuel clause and coal contract refund. |
| 9/93 | 92-490, 92-490A, 90-360-C | KY | Kentucky Industrial Utility Customers and Kentucky Attorney General | Big Rivers Electric Corp. | Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs. |
| 10/93 | U-17735 | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | Revenue requirements, debt restructuring agreement, River Bend cost recovery. |
| 1/94 | U-20647 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Audit and investigation into fuel clause costs. |
| 4/94 | U-20647 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Nuclear and fossil unit performance, fuel costs, fuel clause principles and |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | | | guidelines. |
| 5/94 | U-20178 | LA | Louisiana Public Service Commission Staff | Louisiana Power & Light Co. | Planning and quantification issues of least cost integrated resource plan. |
| 9/94 | U-19904 Initial Post-Merger Earnings Review | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues. |
| 9/94 | U-17735 | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues. |
| 10/94 | 3905-U | GA | Georgia Public Service Commission Staff | Southern Bell Telephone Co. | Incentive rate plan, earnings review. |
| 10/94 | 5258-U | GA | Georgia Public Service Commission Staff | Southern Bell Telephone Co. | Alternative regulation, cost allocation. |
| 11/94 | U-19904 Initial Post-Merger Earnings Review (Rebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues. |
| 11/94 | U-17735 (Rebuttal) | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues. |
| 4/95 | R-00943271 | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Revenue requirements, Fossil dismantling, nuclear decommissioning. |
| 6/95 | 3905-U Rebuttal | GA | Georgia Public Service Commission | Southern Bell Telephone Co. | Incentive regulation, affiliate transactions, revenue requirements, rate refund. |
| 6/95 | U-19904 (Direct) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/95 | 95-02614 | TN | Tennessee Office of the Attorney General Consumer Advocate | BellSouth Telecommunications, Inc. | Affiliate transactions. |
| 10/95 | U-21485 (Direct) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 11/95 | U-19904 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. Division | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment. |
| 11/95 | U-21485 (Supplemental Direct) 12/95 U-21485 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 1/96 | 95-299-EL-AIR 95-300-EL-AIR | OH | Industrial Energy Consumers | The Toledo Edison Co. The Cleveland Electric Illuminating Co. | Competition, asset writeoffs and revaluation, O&M expense, other revenue requirement issues. |
| 2/96 | PUC No. 14965 | TX | Office of Public Utility Counsel | Central Power & Light | Nuclear decommissioning. |
| 5/96 | 95-485-LCS | NM | City of Las Cruces | El Paso Electric Co. | Stranded cost recovery, municipalization. |
| 7/96 | 8725 | MD | The Maryland Industrial Group and Redland Genstar, Inc. | Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp. | Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues. |
| 9/96 11/96 | U-22092 U-22092 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs. |
| 10/96 | 96-327 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Environmental surcharge recoverable costs. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 2/97 | R-00973877 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements. |
| 3/97 | 96-489 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation. |
| 6/97 | TO-97-397 | MO | MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc. | Southwestern Bell Telephone Co. | Price cap regulation, revenue requirements, rate of return. |
| 6/97 | R-00973953 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 7/97 | R-00973954 | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 7/97 | U-22092 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Depreciation rates and methodologies, River Bend phase-in plan. |
| 8/97 | 97-300 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co. and Kentucky Utilities Co. | Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return. |
| 8/97 | R-00973954 (Surrebuttal) | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 10/97 | 97-204 | KY | Alcan Aluminum Corp. Southwire Co. | Big Rivers Electric Corp. | Restructuring, revenue requirements, reasonableness |
| 10/97 | R-974008 | PA | Metropolitan Edison Industrial Users | Metropolitan Edison Co. | Restructuring, deregulation, stranded costs, regulatory |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | Group | | assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |
| 10/97 | R-974009 | PA | Penelec Industrial Customer Alliance | Pennsylvania Electric Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |
| 11/97 | 97-204 (Rebuttal) | KY | Alcan Aluminum Corp. Southwire Co. | Big Rivers Electric Corp. | Restructuring, revenue requirements, reasonableness of rates, cost allocation. |
| 11/97 | U-22491 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues. |
| 11/97 | R-00973953 (Surrebuttal) | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 11/97 | R-973981 | PA | West Penn Power Industrial Intervenors | West Penn Power Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization. |
| 11/97 | R-974104 | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization. |
| 12/97 | R-973981 (Surrebuttal) | PA | West Penn Power Industrial Intervenors | West Penn Power Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements. |
| 12/97 | R-974104 (Surrebuttal) | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
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| | | | | | securitization. |
| 1/98 | U-22491 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues. |
| 2/98 | 8774 | MD | Westvaco | Potomac Edison Co. | Merger of Duquesne, AE, customer safeguards, savings sharing. |
| 3/98 | U-22092 (Allocated Stranded Cost Issues) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation. |
| 3/98 | 8390-U | GA | Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc. | Atlanta Gas Light Co. | Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements. |
| 3/98 | U-22092 (Allocated Stranded Cost Issues) (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation. |
| 10/98 | 97-596 | ME | Maine Office of the Public Advocate | Bangor Hydro-Electric Co. | Restructuring, unbundling, stranded costs, T&D revenue requirements. |
| 10/98 | 9355-U | GA | Georgia Public Service Commission Adversary Staff | Georgia Power Co. | Affiliate transactions. |
| 10/98 | U-17735 | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policy, other revenue requirement issues. |
| 11/98 | U-23327 | LA | Louisiana Public Service Commission Staff | SWEPCO, CSW and AEP | Merger policy, savings sharing mechanism, affiliate transaction conditions. |
| 12/98 | U-23358 (Direct) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 12/98 | 98-577 | ME | Maine Office of Public Advocate | Maine Public Service Co. | Restructuring, unbundling, stranded cost, T&D revenue requirements. |

# Expert Testimony Appearances
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 1/99 | 98-10-07 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes. |
| 3/99 | U-23358 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 3/99 | 98-474 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements, alternative forms of regulation. |
| 3/99 | 98-426 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements, alternative forms of regulation. |
| 3/99 | 99-082 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 3/99 | 99-083 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |
| 4/99 | U-23358 (Supplemental Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 4/99 | 99-03-04 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Regulatory assets and liabilities, stranded costs, recovery mechanisms. |
| 4/99 | 99-02-05 | CT | Connecticut Industrial Utility Customers | Connecticut Light and Power Co. | Regulatory assets and liabilities stranded costs, recovery mechanisms. |
| 5/99 | 98-426 99-082 (Additional Direct) | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 5/99 | 98-474 99-083 (Additional Direct) | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |
| 5/99 | 98-426 98-474 (Response to Amended Applications) | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. and Kentucky Utilities Co. | Alternative regulation. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 6/99 | 97-596 | ME | Maine Office of Public Advocate | Bangor Hydro-Electric Co. | Request for accounting order regarding electric industry restructuring costs. |
| 6/99 | U-23358 | LA | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc. | Affiliate transactions, cost allocations. |
| 7/99 | 99-03-35 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Stranded costs, regulatory assets, tax effects of asset divestiture. |
| 7/99 | U-23327 | LA | Louisiana Public Service Commission Staff | Southwestern Electric Power Co., Central and South West Corp, and American Electric Power Co. | Merger Settlement and Stipulation. |
| 7/99 | 97-596 Surrebuttal | ME | Maine Office of Public Advocate | Bangor Hydro-Electric Co. | Restructuring, unbundling, stranded cost; T&D revenue requirements. |
| 7/99 | 98-0452-E-GI | WV | West Virginia Energy Users Group | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power | Regulatory assets and liabilities. |
| 8/99 | 98-577 Surrebuttal | ME | Maine Office of Public Advocate | Maine Public Service Co. | Restructuring, unbundling, stranded costs, T&D revenue requirements. |
| 8/99 | 98-426 99-082 Rebuttal | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 8/99 | 98-474 98-083 Rebuttal | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |
| 8/99 | 98-0452-E-GI Rebuttal | WV | West Virginia Energy Users Group | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power | Regulatory assets and liabilities. |
| 10/99 | U-24182 Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues. |

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| 11/99 | 21527 | TX | Dallas-Ft.Worth Hospital Council and Coalition of Independent Colleges and Universities. | TXU Electric | Restructuring, stranded costs, taxes, securitization. |
| 11/99 | U-23358 Surrebuttal Affiliate Transactions Review | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Service company affiliate transaction costs. |
| 04/00 | 99-1212-EL-ETPOH 99-1213-EL-ATA 99-1214-EL-AAM | | Greater Cleveland Growth Association | First Energy (Cleveland Electric Illuminating, Toledo Edison) | Historical review, stranded costs, regulatory assets, liabilities. |
| 01/00 | U-24182 Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues. |
| 05/00 | 2000-107 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | ECR surcharge roll-in to base rates. |
| 05/00 | U-24182 Supplemental Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Affiliate expense proforma adjustments. |
| 05/00 | A-110550F0147 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy | Merger between PECO and Unicom. |
| 07/00 | 22344 | TX | The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities | Statewide Generic Proceeding | Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year. |
| 05/00 | 99-1658-EL-ETP | OH | AK Steel Corp. | Cincinnati Gas & Electric Co. | Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC. |
| 07/00 | U-21453 | LA | Louisiana Public Service Commission | SWEPCO | Stranded costs, regulatory assets and liabilities. |
| 08/00 | U-24064 | LA | Louisiana Public Service Commission | CLECO | Affiliate transaction pricing ratemaking principles, subsidization of nonregulated |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
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| | | | Staff | | affiliates, ratemaking adjustments. |
| 10/00 | PUC 22350<br>SOAH 473-00-1015 | TX | The Dallas-Ft. Worth Hospital Council and The Coalition of Independent Colleges And Universities | TXU Electric Co. | Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities. |
| 10/00 | R-00974104<br>Affidavit | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding. |
| 11/00 | P-00001837<br>R-00974008<br>P-00001838<br>R-00974009 | PA | Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance | Metropolitan Edison Co.<br>Pennsylvania Electric Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs. |
| 12/00 | U-21453,<br>U-20925, U-22092<br>(Subdocket C)<br>Surrebuttal | LA | Louisiana Public Service Commission Staff | SWEPCO | Stranded costs, regulatory assets. |
| 01/01 | U-24993<br>Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 01/01 | U-21453,<br>U-20925, U-22092<br>(Subdocket B)<br>Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing. |
| 01/01 | Case No.<br>2000-386 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co. | Recovery of environmental costs, surcharge mechanism. |
| 01/01 | Case No.<br>2000-439 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Recovery of environmental costs, surcharge mechanism. |
| 02/01 | A-110300F0095<br>A-110400F0040 | PA | Met-Ed Industrial Users Group Penelec Industrial Customer Alliance | GPU, Inc.<br>FirstEnergy Corp/ | Merger, savings, reliability. |

**Expert Testimony Appearances
of
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 03/01 | P-00001860<br>P-00001861 | PA | Met-Ed Industrial Users Group<br>Penelec Industrial Customer Alliance | Metropolitan Edison Co. and Pennsylvania Electric Co. | Recovery of costs due to provider of last resort obligation. |
| 04 /01 | U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet | LA | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc. | Business separation plan: settlement agreement on overall plan structure. |
| 04 /01 | U-21453, U-20925, U-22092 (Subdocket B) Contested Issues | LA | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc. | Business separation plan: agreements, hold harmless conditions, separations methodology. |
| 05 /01 | U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal | LA | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc. | Business separation plan: agreements, hold harmless conditions, Separations methodology. |
| 07/01 | U-21453, U-20925, U-22092 Subdocket B Transmission and Distribution Term Sheet | LA | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc. | Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology. |
| 10/01 | 14000-U | GA | Georgia Public Service Commission Adversary Staff | Georgia Power Company | Revenue requirements, Rate Plan, fuel clause recovery. |
| 11/01 | 14311-U Direct Panel with Bolin Killings | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital. |
| 11/01 | U-25687 | LA | Louisiana Public | Entergy Gulf States, Inc. | Revenue requirements, capital structure, |

**Expert Testimony Appearances
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | Direct | | Service Commission Staff | | allocation of regulated and nonregulated costs, River Bend uprate. |
| 02/02 | 25230 | TX | Dallas Ft.-Worth Hospital Council & the Coalition of Independent Colleges & Universities | TXU Electric | Stipulation. Regulatory assets, securitization financing. |
| 02/02 | U-25687 Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate. |
| 03/02 | 14311-U Rebuttal Panel with Bolin Killings | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements, earnings sharing plan, service quality standards. |
| 03/02 | 14311-U Rebuttal Panel with Michelle L. Thebert | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital. |
| 03/02 | 001148-EI | FL | South Florida Hospital and Healthcare Assoc. | Florida Power & Light Co. | Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense. |
| 04/02 | U-25687 (Supplemental Surrebuttal) | LA | Louisiana Public Service Commission | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate. |
| 04/02 | U-21453, U-20925 and U-22092 (Subdocket C) | | Louisiana Public Service Commission Staff | SWEPCO | Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions. |
| 08/02 | EL01-88-000 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and The Entergy Operating Companies | System Agreement, production cost equalization, tariffs. |
| 08/02 | U-25888 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. and Entergy Louisiana, Inc. | System Agreement, production cost disparities, prudence. |
| 09/02 | 2002-00224 2002-00225 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Utilities Co. Louisville Gas & Electric Co. | Line losses and fuel clause recovery associated with off-system sales. |
| 11/02 | 2002-00146 2002-00147 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Utilities Co. Louisville Gas & Electric Co. | Environmental compliance costs and surcharge recovery. |
| 01/03 | 2002-00169 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Power Co. | Environmental compliance costs and surcharge recovery. |

**Expert Testimony Appearances**
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 04/03 | 2002-00429<br>2002-00430 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co.<br>Louisville Gas & Electric Co. | Extension of merger surcredit, flaws in Companies' studies. |
| 04/03 | U-26527 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year Adjustments. |
| 06/03 | EL01-88-000 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | System Agreement, production cost equalization, tariffs. |
| 06/03 | 2003-00068 | KY | Kentucky Industrial Utility Customers | Kentucky Utilities Co. | Environmental cost recovery, correction of base rate error. |
| 11/03 | ER03-753-000 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Unit power purchases and sale cost-based tariff pursuant to System Agreement. |
| 11/03 | ER03-583-000, ER03-583-001, and ER03-583-002<br><br>ER03-681-000, ER03-681-001<br><br>ER03-682-000, ER03-682-001, and ER03-682-002<br><br>ER03-744-000, ER03-744-001 (Consolidated) | FERC | Louisiana Public Service Commission | Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc. | Unit power purchase and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates. |
| 12/03 | U-26527 Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | | | adjustments. |
| 12/03 | 2003-0334<br>2003-0335 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co.<br>Louisville Gas & Electric Co. | Earnings Sharing Mechanism. |
| 12/03 | U-27136 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, Inc. | Purchased power contracts between affiliates, terms and conditions. |
| 03/04 | U-26527 Supplemental Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post test year adjustments. |
| 03/04 | 2003-00433 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co. | Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit. |
| 03/04 | 2003-00434 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit. |
| 03/04 | SOAH Docket 473-04-2459, PUC Docket 29206 | TX | Cities Served by Texas-New Mexico Power Co. | Texas-New Mexico Power Co. | Stranded costs true-up, including including valuation issues, ITC, ADIT, excess earnings. |
| 05/04 | 04-169-EL-UNC | OH | Ohio Energy Group, Inc. | Columbus Southern Power Co. & Ohio Power Co. | Rate stabilization plan, deferrals, T&D rate increases, earnings. |
| 06/04 | SOAH Docket 473-04-4555 PUC Docket 29526 | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric | Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest. |
| 08/04 | SOAH Docket 473-04-4556 PUC Docket 29526 (Suppl Direct) | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric | Interest on stranded cost pursuant to Texas Supreme Court remand. |
| 09/04 | Docket No. U-23327 Subdocket B | LA | Louisiana Public Service Commission Staff | SWEPCO | Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders. |

**Expert Testimony Appearances**
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/04 | Docket No. U-23327 Subdocket A | LA | Louisiana Public Service Commission Staff | SWEPCO | Revenue requirements. |
| 12/04 | Case No. 2004-00321 Case No. 2004-00372 | KY | Gallatin Steel Co. | East Kentucky Power Cooperative, Inc., Big Sandy Recc, etal. | Environmental cost recovery, qualified costs, TIER requirements, cost allocation. |
| 01/05 | 30485 | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric, LLC | Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT. |
| 02/05 | 18638-U | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements. |
| 02/05 | 18638-U Panel with Tony Wackerly | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan. |
| 02/05 | 18638-U Panel with Michelle Thebert | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Energy conservation, economic development, and tariff issues. |
| 03/05 | Case No. 2004-00426 Case No. 2004-00421 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. Louisville Gas & Electric | Environmental cost recovery, Jobs Creation Act of 2004 and § 199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense. |
| 06/05 | 2005-00068 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales. |
| 06/05 | 050045-EI | FL | South Florida Hospital and Healthcare Assoc. | Florida Power & Light Co. | Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase. |
| 08/05 | 31056 | TX | Alliance for Valley Healthcare | AEP Texas Central Co. | Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 09/05 | 20298-U | GA | Georgia Public Service Commission Adversary Staff | Atmos Energy Corp. | Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements. |
| 09/05 | 20298-U Panel with Victoria Taylor | GA | Georgia Public. Service Commission Adversary Staff | Atmos Energy Corp. | Affiliate transactions, cost allocations, capitalization, cost of debt. |
| 10/05 | 04-42 | DE | Delaware Public Service Commission Staff | Artesian Water Co. | Allocation of tax net operating losses between regulated and unregulated. |
| 11/05 | 2005-00351 2005-00352 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. Louisville Gas and Electric Co. | Workforce Separation Program cost recovery and shared savings through VDT surcredit. |
| 01/06 | 2005-00341 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB. |
| 03/06 05/06 | 31994 31994 Supplemental | TX | Cities | Texas-New Mexico Power Co. | Stranded cost recovery through competition transition or change. Retrospective ADFIT, prospective ADFIT. |
| 03/06 | U-21453, U-20925, U-22092 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Jurisdictional separation plan. |
| 3/06 | NOPR Reg 104385-OR | IRS | Alliance for Valley Health Care and Houston Council for Health Education | AEP Texas Central Company and CenterPoint Energy Houston Electric | Proposed Regulations affecting flow-through to ratepayers of excess deferred income taxes and investment Tax credits on generation plant that is sold or deregulated. |
| 4/06 | U-25116 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, Inc. | 2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions. |
| 07/06 | R-00061366, Et. al | PA | Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance | Metropolitan Edison Co. Pennsylvania Electric Co. | Recovery of NUG-related stranded costs, government mandated programs costs, storm damage costs. |
| 07/06 | U-23327 | LA | Louisiana Public Service Commission | Southwestern Electric Power Co. | Revenue requirements, formula rate plan, banking proposal. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 08/06 | U-21453, U-20925 U-22092 (Subdocket J) | LA | Staff Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Jurisdictional separation plan. |
| 11/06 | 05CVH03-3375 Franklin County Court Affidavit | OH | Various Taxing Authorities (Non-Utility Proceeding) | State of Ohio Department of Revenue | Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant. |
| 12/06 | U-23327 Subdocket A Reply Testimony | LA | Louisiana Public Service Commission Staff | Southwestern Electric Power Co.. | Revenue requirements, formula rate plan, banking proposal. |
| 03/07 | U-29764 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc., Entergy Louisiana, LLC | Jurisdictional allocation of Entergy System Agreement equalization remedy receipts. |
| 03/07 | 33309 | TX | Cities | AEP Texas Central Co. | Revenue requirements, including functionalization of transmission and distribution costs. |
| 03/07 | 33310 | TX | Cities | AEP Texas North Co. | Revenue requirements, including functionalization of transmission and distribution costs. |
| 03/07 | 2006-00472 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative | Interim rate increase, RUS loan covenants, credit facility requirements, financial condition. |
| 03/07 | U-29157 | LA | Louisiana Public Service Commission Staff | Cleco Power, LLC | Permanent (Phase II) storm damage cost recovery. |
| 04/07 | U-29764 Supplemental And Rebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. Entergy Louisiana, LLC | Jurisdictional allocation of Entergy System Agreement equalization remedy receipts. |
| 04/07 | ER07-682-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts |
| 04/07 | ER07-684-000 | FERC | Louisiana Public | Entergy Services, Inc. | Fuel hedging costs and compliance |

**Expert Testimony Appearances**
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**Lane Kollen**
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | Affidavit | | Service Commission | and the Entergy Operating Companies | with FERC USOA. |
| 05/07 | ER07-682-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts. |
| 06/07 | U-29764 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, LLC Entergy Gulf States, Inc. | Show cause for violating LPSC Order on fuel hedging costs. |
| 07/07 | 2006-00472 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative | Revenue requirements, post test year adjustments, TIER, surcharge revenues and costs, financial need. |
| 07/07 | ER07-956-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts. |
| 10/07 | 05-UR-103 Direct | WI | Wisconsin Industrial Energy Group | Wisconsin Electric Power Company Wisconsin Gas, LLC | Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds. |
| 10/07 | 05-UR-103 Surrebuttal | WI | Wisconsin Industrial Energy Group | Wisconsin Electric Power Company Wisconsin Gas, LLC | Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds. |
| 10/07 | 25060-U Direct | GA | Georgia Public Service Commission Public Interest Adversary Staff | Georgia Power Company | Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction. |
| 11/07 | 06-0033-E-CN Direct | WV | West Virginia Energy Users Group | Appalachian Power Company | IGCC surcharge during construction period and post-in-service date. |
| 11/07 | ER07-682-000 | FERC | Louisiana Public Service | Entergy Services, Inc. | Functionalization and allocation of |

## Expert Testimony Appearances
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | Direct | | Commission | and the Entergy Operating Companies | intangible and general plant and A&G expenses. |
| 01/08 | ER07-682-000 Cross Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Fuctionalization and allocation of intangible and general plant and A&G expenses. |
| 01/08 | 07-551-EL-AIR Direct | OH | Ohio Energy Group, Inc. | Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company | Revenue Requirements. |
| 02/08 | ER07-956-000 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning. |
| 03/08 | ER07-956-000 Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning. |
| 04/08 | 2007-00562 2007-00563 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. Louisville Gas and Electric Co. | Merger surcredit. |
| 04/08 | 26837 Direct Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |
| 05/08 | 26837 Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 05/08 | 26837 Supplemental Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |
| 06/08 | 2008-00115 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative, Inc. | Environmental surcharge recoveries, incl costs recovered in existing rates, TIER |
| 07/08 | 27163 Direct | GA | Georgia Public Service Commission Public Interest Advocacy Staff | Atmos Energy Corp. | Revenue requirements, incl projected test year rate base and expenses. |
| 07/08 | 27163 Panel with Victoria Taylor | GA | Georgia Public Service Commission Public Interest Advocacy Staff | Atmos Energy Corp. | Affiliate transactions and division cost allocations, capital structure, cost of debt. |
| 08/08 | 6680-CE-170 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | Nelson Dewey 3 or Colombia 3 fixed financial parameters. |
| 08/08 | 6680-UR-116 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling. |
| 08/08 | 6680-UR-116 Rebuttal | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | Capital structure. |
| 09/08 | 6690-UR-119 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Public Service Corp. | Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure. |
| 09/08 | 6690-UR-119 Surrebuttal | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Public Service Corp. | Prudence of Weston 3 outage, Section 199 deduction. |
| 09/08 | 08-935-EL-SSO 08-918-EL-SSO | OH OH | Ohio Energy Group, Inc. | First Energy | Standard service offer rates pursuant to electric security plan, significantly excessive earnings test. |
| 10/08 | 08-917-EL-SSO | OH | Ohio Energy Group, Inc. | AEP | Standard service offer rates pursuant to electric security plan, significantly excessive earnings test. |
| 10/08 | 2007-564 2007-565 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co., Kentucky | Revenue forecast, affiliate costs, depreciation expenses, federal and state |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | 2008-251<br>2008-252 | | | Utilities Company | income tax expense, capitalization, cost of debt. |
| 11/08 | EL-08-51 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Spindletop gas storage facilities regulatory asset and bandwidth remedy. |
| 11/08 | 35717 | TX | Cities Served by Oncor Delivery Company | Oncor Delivery Company | Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment. |
| 12/08 | 27800 | GA | Georgia Public Service Commission | Georgia Power Company | AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive. |
| 01/09 | ER08-1056 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 01/09 | ER08-1056 Supplemental Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Blytheville leased turbines; accumulated depreciation. |
| 02/09 | EL08-51 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Spindletop gas storage facilities regulatory asset and bandwidth remedy. |
| 02/09 | 2008-00409 Direct | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative, Inc. | Revenue requirements. |
| 03/09 | ER08-1056 Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 03/09 | U-21453,U-20925 U-22092 (Subdocket J) | | Louisiana Public Service Commission Staff | Entergy Gulf States Louisiana, LLC | Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset. |
| 04/09 | U-21453, U-20925 U-22092 (Subdocket J) Rebuttal | | Louisiana Public Service Commission | Entergy Gulf States Louisiana, LLC | Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset. |
| 04/09 | 2009-00040 Direct-Interim | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Emergency interim rate increase; cash requirements. |
| 04/09 | 36530 | TX | State Office of Administrative | Oncor Electric Delivery | Rate case expenses. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| | | | Hearings | Company, LLC | |
| 05/09 | ER08-1056 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 06/09 | 2009-00040 Direct-Permanent | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Revenue requirements, TIER, cash flow. |

EXHIBIT___(LK-2)

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Second Set of Interrogatories**
**Interrogatory No. 112**
**Page 1 of 1**

**Q.**
**Interrogatories Directed to Ms. Kim Ousdahl:**

Regarding Page 12:8-Page 13:13. Please explain why in FPL's view it would be appropriate to increase rates through the GBRA mechanism to recover costs associated with placing a new generating plant in service, but not to take into account at the same time adjustments that would have an opposite effect on rates, such as accumulated depreciation, increases in billing determinants, and/or reductions to other elements in FPL's cost of service.

**A.**
Generating plant additions represent a significant capital investment that results in large, lump sum increases to rate base and revenue requirements that often, in and of itself, will result in the need to file for a base rate increase. Other types of utility activities such as accumulated depreciation, increases in billing determinants and/or reductions to other elements of cost of service tend to occur gradually over time and are offset by increases in O&M expense, increases in capital expenditures for capital replacement of existing plants, new service accounts, system reliability, storm hardening with corresponding increase in depreciation expense. Attempting to address all changes in costs during the GBRA process would effectively turn that process into a full base rate case proceeding. The GBRA process was initiated, in part, to reduce the frequency of expensive, resource intensive full requirements base rate cases.

EXHIBIT___(LK-3)

BEFORE THE PUBLIC SERVICE COMMISSION

| | |
|---|---|
| In re: Petition for rate increase by Florida Power & Light Company. | DOCKET NO. 050045-EI |
| In re: 2005 comprehensive depreciation study by Florida Power & Light Company. | DOCKET NO. 050188-EI<br>ORDER NO. PSC-05-0902-S-EI<br>ISSUED: September 14, 2005 |

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, *Chairman*
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

ORDER APPROVING STIPULATION AND SETTLEMENT

BY THE COMMISSION:

I. BACKGROUND

On March 22, 2005, Florida Power & Light Company (FPL) filed a petition for approval of a permanent increase in rates and charges sufficient to generate additional total annual revenues of $430,198,000 beginning January 1, 2006, and for approval of an adjustment to 2007 base rates to produce additional annual revenues of $122,757,000 beginning 30 days following the commercial in-service date of Turkey Point Unit 5 projected to occur in June 2007. In support of its petition, FPL filed new rate schedules, testimony, Minimum Filing Requirements (MFRs), and other schedules. FPL's petition was assigned Docket No. 050045-EI. By Order No. PSC-05-0619-PCO-EI, issued June 6, 2005, we suspended FPL's proposed new rate schedules to allow our staff and intervenors sufficient time to adequately and thoroughly examine the basis for the proposed new rates.

On March 17, 2005, FPL filed a depreciation study for this Commission's review. The depreciation study was assigned Docket No. 050188-EI. By Order No. PSC-05-0499-PCO-EI, issued May 9, 2005, we consolidated Docket Nos. 050188-EI and 050045-EI for all purposes.

As part of this consolidated proceeding, we conducted service hearings at the following locations in FPL's service territory: Daytona Beach, Viera, West Palm Beach, Ft. Lauderdale, Miami, Sarasota, and Ft. Myers. A formal administrative hearing was scheduled for August 22 - 26 and August 31 - September 2, 2005. The Office of Public Counsel (OPC), Office of the Attorney General (AG), Florida Industrial Power Users Group (FIPUG), Florida Retail Federation (FRF), Commercial Group (CG), AARP, Federal Executive Agencies (FEA), and

South Florida Hospital and Healthcare Association (SFHHA) were granted intervenor status. Common Cause Florida and seven individual customers filed a petition to intervene on August 15, 2005.

On August 22, 2005, the parties filed a joint motion for approval of a Stipulation and Settlement[1] among all parties to resolve all matters in this consolidated proceeding.[2] The Stipulation and Settlement was presented at the start of our hearing on August 22. The hearing was recessed to allow our staff to thoroughly review the Stipulation and Settlement and provide its analysis to us on August 24, when the hearing was reconvened for our vote.

By this Order, we approve the Stipulation and Settlement. Jurisdiction over these matters is vested in this Commission by various provisions of Chapter 366, Florida Statutes, including Sections 336.04, 366.05, and 366.06, Florida Statutes.

II. STIPULATION AND SETTLEMENT

The major elements contained in the Stipulation and Settlement are as follows:

- The Stipulation and Settlement is effective for a minimum term of four years - January 1, 2006, through December 31, 2009 - and thereafter will remain in effect until new base rates and charges become effective by order of the Commission. (Paragraph 1)

- With the exception of certain new and modified rate schedules specified in the Stipulation and Settlement, FPL's retail base rates and charges will remain unchanged on January 1, 2006, when the currently operative stipulation governing FPL's base rates and charges expires. (Paragraph 2)

- No party will petition for a change in FPL's base rates and charges to take effect prior to the minimum term of the Stipulation and Settlement, and, except as provided for in the Stipulation and Settlement, FPL will not petition for any new surcharges to recover costs that traditionally would be, or are presently, recovered through base rates. (Paragraph 3)

- A revenue sharing plan similar to the one contained in FPL's currently operative rate settlement will be implemented through the term of the Stipulation and Settlement. Retail base rate revenues between specified sharing threshold amounts and revenue caps will be shared as follows: FPL's shareholders will receive a 1/3 share, and FPL's retail customers will receive a 2/3 share. Retail base rate revenues above the specified revenue caps will be refunded to retail customers on an annual basis. (Paragraphs 4 and 5)

[1] The Stipulation and Settlement is attached hereto as Attachment A and is incorporated herein by reference.
[2] Although Common Cause Florida and the individual customers had not been granted intervenor status, they signed the stipulation and settlement along with all parties. Under these circumstances and without objection from any party, we found at the August 22 hearing that it was not necessary to make a ruling on the petition to intervene filed by Common Cause Florida and the individual customers.

- If FPL's retail base rate earnings fall below a 10% ROE as reported on a Commission-adjusted or pro-forma basis on an FPL monthly earnings surveillance report during the term of the Stipulation and Settlement, FPL may petition to amend its base rates, and parties to the Stipulation are not precluded from participating in such a proceeding. This provision does not limit FPL from any recovery of costs otherwise contemplated by the Stipulation. (Paragraph 6)

- FPL has the option to amortize up to $125,000,000 annually as a credit to depreciation expense and a debit to the bottom line depreciation reserve over the term of the Stipulation and Settlement and as specified therein. Depreciation rates and/or capital recovery schedules will be established pursuant to the comprehensive depreciation studies as filed in March 2005 and will not be changed during the term of the Stipulation and Settlement. (Paragraph 8)

- Subject to review for prudence and reasonableness, FPL is permitted clause recovery of incremental costs associated with establishment of a Regional Transmission Organization or costs arising from an order of this Commission or the Federal Energy Regulatory Commission addressing any alternative configuration or structure to address independent transmission system governance or operation. (Paragraph 9)

- No party will appeal the Commission's final order in Docket No. 041291-EI addressing recovery of 2004 storm recovery costs. FPL will suspend its current accrual to its storm reserve effective January 1, 2006. Through a separate proceeding, a target level for FPL's storm reserve will be set. Replenishment of the storm reserve to that target level shall be accomplished through securitization under Section 366.8260, Florida Statutes, or through a separate surcharge that is independent of and incremental to retail base rates, as approved by the Commission. (Paragraph 10)

- FPL will suspend its current nuclear decommissioning accrual effective September 1, 2005, and at least through the minimum term of the Stipulation and Settlement. (Paragraph 11)

- New capital costs for expenditures recovered through the Environmental Cost Recovery Clause will be allocated, for the purpose of clause recovery, on a demand basis. (Paragraph 13)

- All post-September 11, 2001, incremental security costs will be recovered through the Capacity Cost Recovery Clause. (Paragraph 14)

- FPL will continue to operate without an authorized ROE range for the purpose of addressing earnings levels, but an ROE of 11.75% shall be used for all other regulatory purposes. (Paragraph 16)

- For any power plant that is approved through the Power Plant Siting Act and that achieves commercial operation within the term of the Stipulation and Settlement, the costs of which are not recovered fully through a clause or clauses, FPL's base rates will increase by the annualized base revenue requirement for the first 12 months of operation, reflecting the costs upon which the cumulative present value revenue requirements were or are predicated and pursuant to which a need determination was granted by the Commission. This base rate adjustment will be reflected on FPL's customer bills by increasing base charges and non-clause recoverable credits by an equal percentage and will apply to meter readings made on and after the commercial in-service date of the plant. (Paragraph 17)

Most of the terms of the Stipulation and Settlement appear to be self-explanatory. Still, we believe that several provisions merit comment or clarification so that as full an understanding of the parties' intent can be reflected in this Order before the Stipulation and Settlement is implemented. Based on the parties' discussions with our staff and discussions during our August 24 vote to approve the Stipulation and Settlement, we understand that the parties agree with the clarifications discussed below.

Paragraph 2

Under Paragraph 2, the parties agree that FPL will implement three new tariff offerings: an optional High Load Factor Time-of-Use rate with an adjustment to reflect a 65% load factor breakeven point by class; a Seasonal Demand Time-of-Use rate; and a General Service Constant Use rate. Further, the parties agree that FPL will eliminate the 10 kW exemption from its current rate schedules. We note that these changes are revenue neutral across FPL's demand-metered rate classes but are not revenue neutral within each such class.

Further, the parties agree that the inversion point on FPL's RS-1 (residential service) rate will be raised from 750 kWh to 1,000 kWh. We note that this change is revenue neutral within FPL's residential rate class.

The parties also agree that all gross receipts taxes will be shown as and collected through a separate gross receipts tax line item on bills. Thus, the portion of gross receipts taxes currently embedded in base rates will be removed and consolidated with the portion of gross receipts taxes currently shown separately.

Paragraph 5

Paragraph 5 describes and defines the revenue sharing plan agreed to by the parties. Part c of this paragraph states that the revenue sharing plan and the corresponding revenue sharing thresholds and revenue caps are intended to relate only to retail base rate revenues based on FPL's current structure and regulatory framework. Further, part c indicates that incremental revenues attributable to a business combination or acquisition involving FPL, its parent, or its affiliates will be excluded in determining retail base rate revenues for purposes of the revenue sharing plan. The parties clarified that in the event that a portion of FPL's system is sold or municipalized, appropriate adjustments would be made to account for the associated revenue reduction before application of FPL's annual average growth rate upon which the revenue sharing thresholds and revenue cap are calculated.

Paragraph 10

Under Paragraph 10, the parties agree that FPL will suspend its current base rate accrual of $20.3 million to its storm reserve account effective January 1, 2006. Further, the parties agree that a target for FPL's storm reserve account will be established in a separate proceeding and that funding the account to the target level will be achieved by either or both of two means: (1) a separate surcharge independent of and incremental to retail base rates; and (2) through the recently enacted provisions of Section 366.8260, Florida Statutes. FPL has committed to pursue continued funding of its storm reserve account within six months.

Paragraph 11

Pursuant to Paragraph 11, the parties agree that FPL will file a nuclear decommissioning study on or before December 12, 2005, but the study shall have no impact on FPL's base rates or charges or the terms of the Stipulation and Settlement. The parties clarified that the filing of this study is intended only for informational purposes and that no Commission action on the study is contemplated.

Paragraph 13

We note that Paragraph 13 reflects a change in practice with respect to the allocation of capital costs recovered through the Environmental Cost Recovery Clause (ECRC). These costs historically have been allocated to customer classes on an energy basis. Under the Stipulation and Settlement, the parties agree that new capital costs for environmental expenditures recovered through the ECRC will be allocated on a demand basis instead, consistent with the treatment of capital costs in a base rate cost of service study.

Paragraph 14

Currently, post-September 11, 2001, incremental security costs related only to power plant security are recovered through the Capacity Cost Recovery Clause (Capacity Clause). Pursuant to Paragraph 14, all post-September 11, 2001, incremental security costs – both power plant and non-plant security costs – will be recovered through the Capacity Clause.

Paragraph 17

The parties clarified that in the event the actual capital cost of a generation project subject to Paragraph 17 is lower than the projected cost, the difference will be reflected as a one-time credit through the Capacity Clause.

Other Matters

Pursuant to a stipulation approved in Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, FPL currently recovers incremental hedging costs through the Fuel Cost Recovery Clause (Fuel Clause). In its petition for a rate increase, FPL proposed to recover these costs through base rates instead. The Stipulation and Settlement is silent on how incremental hedging costs will be recovered. The parties clarified that they intended for recovery of these costs to continue through the Fuel Clause during the term of the Stipulation and Settlement. Because the Stipulation is silent in this regard, the parties indicated that they would take action to memorialize their intent in this year's Fuel Clause proceedings.

The parties also clarified their intent that, upon approval of this Stipulation and Settlement, Docket No. 050494-EI should be closed. Docket No. 050494-EI was assigned to a joint petition for a decrease in FPL's base rates and charges filed July 19, 2005, by several of the intervenors in this docket.

III. FINDINGS

Upon review and consideration, we find that the Stipulation and Settlement provides a reasonable resolution of the issues in this proceeding with respect to FPL's rates and charges and its depreciation rates and capital recovery schedules. The Stipulation and Settlement appears to provide FPL's customers with a degree of stability and predictability with respect to their electricity rates while allowing FPL to maintain the financial strength to make investments necessary to provide customers with safe and reliable power. Further, the Stipulation and Settlement extends through 2009 a revenue sharing plan which, since its inception in 1999, has resulted in refunds to customers of over $225 million to date. In addition, we recognize that the Stipulation and Settlement reflects the agreement of a broad range of interests: FPL, OPC, the Attorney General, and residential, commercial, industrial, and governmental customers of FPL.

In conclusion, we find that the Stipulation and Settlement establishes rates that are fair, just, and reasonable and that approval of the Stipulation and Settlement is in the public interest. Therefore, we approve the Stipulation and Settlement. As with any settlement we approve, nothing in our approval of this Stipulation and Settlement diminishes this Commission's ongoing authority and obligation to ensure fair, just, and reasonable rates. Nonetheless, this Commission has a long history of encouraging settlements, giving great weight and deference to settlements, and enforcing them in the spirit in which they were reached by the parties.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation and Settlement filed August 22, 2005, which is attached hereto as Attachment A and incorporated herein by reference, is approved. It is further

ORDERED that FPL shall file, for administrative approval, revised tariff sheets to reflect the terms of the Stipulation and Settlement. It is further

ORDERED that Docket Nos. 050045-EI, 050188-EI, and 050494-EI shall be closed.

By ORDER of the Florida Public Service Commission this 14th day of September, 2005.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(SEAL)

WCK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | |
|---|---|
| In re: Petition for rate increase by Florida Power & Light Company. | Docket No. 050045-EI |
| In re: 2005 comprehensive depreciation study by Florida Power & Light Company. | Docket No. 050188-EI |

STIPULATION AND SETTLEMENT

WHEREAS, pursuant to its petition filed March 22, 2005, Florida Power & Light Company (FPL) has petitioned the Florida Public Service Commission (FPSC or Commission) for an increase in base rates and other related relief;

WHEREAS, the Office of the Attorney General (AG), the Office of Public Counsel (OPC), The Florida Industrial Power Users Group (FIPUG), AARP, Florida Retail Federation (FRF), the Commercial Group (CG), the Federal Executive Agencies (FEA), and South Florida Hospital and Healthcare Association (SFHHA) have intervened, and have signed this Stipulation and Settlement (unless the context clearly requires otherwise, the term Party or Parties means a signatory to this Stipulation and Settlement);

WHEREAS, FPL and the Parties to this Stipulation and Settlement recognize that this is a period of unprecedented world energy prices and that this Stipulation and Settlement will mitigate the impact of high energy prices;

WHEREAS, FPL has provided the minimum filing requirements (MFRs) as required by the FPSC and such MFRs have been thoroughly reviewed by the FPSC Staff and the Parties to this proceeding;

***ATTACHMENT A***

WHEREAS, FPL has filed comprehensive testimony in support of and detailing its MFRs;

WHEREAS, on March 16, 2005, FPL filed comprehensive depreciation studies in accordance with FPSC Rule 25-6.0436(8)(a), Florida Administrative Code;

WHEREAS, the parties in this proceeding have conducted extensive discovery on the MFRs, depreciation studies, and FPL's testimony;

WHEREAS, the discovery conducted has included the production and opportunity to inspect more than 315,000 pages of information regarding FPL's costs and operations;

WHEREAS, the Parties to this Stipulation and Settlement have undertaken to resolve the issues raised in these proceedings so as to maintain a degree of stability to FPL's base rates and charges, and to provide incentives to FPL to continue to promote efficiency through the term of this Stipulation and Settlement;

WHEREAS, FPL is currently operating under a stipulation and settlement agreement agreed to by OPC and other parties, and approved by the FPSC by Order PSC-02-0501-AS-EI, issued April 11, 2002, in Docket Nos. 001148-EI and 020001-EI (2002 Agreement);

WHEREAS, previous to the 2002 Agreement, FPL operated under a stipulation and settlement agreement approved by the FPSC in Order No. PSC 99-0519-AS-EI (1999 Agreement);

WHEREAS, the 1999 and 2002 Agreements, combined, provided for a reduction of $600 million in FPL's base rates, and include revenue sharing plans that have resulted in refunds to customers to date in excess of $225 million;

**ATTACHMENT A**

WHEREAS, the 1999 and 2002 Agreements and revenue sharing plans have provided significant benefits to customers, resulting in approximately $4 billion in total savings to FPL's customers through the end of 2005;

WHEREAS, during 2005 FPL has added two new power plants in Martin and Manatee Counties at installed costs totaling approximately $887 million without increasing base rates;

WHEREAS, FPL must make substantial investments in the construction of new electric generation and other infrastructure for the foreseeable future in order to continue to provide safe and reliable power to meet the growing needs of retail customers in the state of Florida; and

WHEREAS, an extension of the revenue sharing plan and preservation of the benefits for customers of the $600 million reduction in base rates provided for in the 1999 and 2002 Agreements during the period in which this Stipulation and Settlement is in effect, and other provisions as set forth herein, including the provision for the incremental base rate recovery of costs associated with the addition of electric generation, will further be beneficial to retail customers;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

1. Upon approval and final order of the FPSC, this Stipulation and Settlement will become effective on January 1, 2006 (the "Implementation Date"), and shall continue through December 31, 2009 (the "Minimum Term"), and thereafter shall remain in effect until terminated on the date that new base rates become effective pursuant to order of the FPSC following a formal administrative hearing held either on the FPSC's own motion or on request made by any of the Parties to this Stipulation and Settlement in accordance with Chapter 366, Florida Statutes.

2. FPL's retail base rates and base rate structure shall remain unchanged, except as otherwise permitted in this Stipulation and Settlement. The following tariff changes shall be approved and implemented:

a. (i) As reflected in FPL's MFR E-14, *institution of the optional* High Load Factor Time-of-Use rate with an adjustment to reflect a 65% load factor breakeven point by rate class, the Seasonal Demand Time-of-Use rate, and the General Service Constant Use Rate;

(ii) Elimination of the 10 kW exemption from rates.

(iii) The combined adjustments to implement (i) and (ii) above shall be made on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.

b. Raising the inversion point on the RS-1 rate *from* 750 kWh to 1,000 kWh, on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.

c. Consolidation and collection of all gross receipts taxes, including existing gross receipts taxes embedded in base rates, through the separate gross receipts tax line item on bills, on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.

d. At any time during the term of the Stipulation and Settlement and subject to Commission approval, any new or revised tariff provisions or rate schedules requested by FPL, provided that such tariff request does not increase any existing base rate component of a tariff or rate schedule during the term of the

Stipulation and Settlement unless the application of such new or revised tariff or rate schedule is optional to the utility's customers.

3. Except as provided in Section 1, no Party to this Stipulation and Settlement will request, support, or seek to impose a change in the application of any provision hereof. AG, OPC, FIPUG, AARP, FRF, FEA, CG, and SFHHA will neither seek nor support any reduction in FPL's base rates and charges, including interim rate decreases, to take effect prior to the end of the Minimum Term of this Stipulation and Settlement unless a reduction request is initiated by FPL. FPL will not petition for an increase in its base rates and charges, including interim rate increases, to take effect for meter readings before the end of the Minimum Term except as provided for in Section 6. During the term of this Stipulation and Settlement, except as otherwise provided for in this Stipulation and Settlement, or except for unforeseen extraordinary costs imposed by government agencies relating to safety or matters of national security, FPL will not petition for any new surcharges, on an interim or permanent basis, to recover costs that are of a type that traditionally and historically would be, or are presently, recovered through base rates.

4. During the term of this Stipulation and Settlement, revenues which are above the levels stated herein below in Section 5 will be shared between FPL and its retail electric utility customers -- it being expressly understood and agreed that the mechanism for earnings sharing herein established is not intended to be a vehicle for "rate case" type inquiry concerning expenses, investment, and financial results of operations.

5. Commencing on the Implementation Date and for the calendar years 2006, 2007, 2008 and 2009, and continuing thereafter until terminated, FPL will be under a Revenue Sharing Incentive Plan as set forth below. For purposes of this Revenue Sharing Incentive Plan, the following retail base rate revenue threshold amounts are established:

a. Sharing Threshold - Retail base rate revenues between the sharing threshold amount and the retail base rate revenue cap as defined in Section 5(b) below will be divided into two shares on a 1/3, 2/3 basis. FPL's shareholders shall receive the 1/3 share. The 2/3 share will be refunded to retail customers. The sharing threshold for 2006 will be established by using the 2005 sharing threshold of $3,880 million in retail base rate revenues, increased by the average annual growth rate in retail kWh sales for the ten year period ending December 31, 2005. For each succeeding calendar year or portion thereof during which the Stipulation and Settlement is in effect, the succeeding calendar year retail base rate revenue sharing threshold amounts shall be established by increasing the prior year's threshold by the sum of the following two amounts: (i) the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and (ii) the amount of any incremental GBRA revenues in that year. The GBRA is described in Section 17.

b. Revenue Cap - Retail base rate revenues above the retail base rate revenue cap will be refunded to retail customers on an annual basis. The retail base rate revenue cap for 2006 will be established by using the 2005 cap of $4,040 million in retail base rate revenues, increased by the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31, 2005. For each succeeding calendar year or portion thereof during which the Stipulation and Settlement is in effect, the succeeding calendar year retail base rate revenue cap amounts shall be established by increasing the prior year's cap by the sum of the following two amounts: (i) the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue cap amount and (ii) the amount of any incremental GBRA revenues in that year.

c. Revenue exclusions - The Revenue Sharing Incentive Plan and the corresponding revenue sharing thresholds and revenue caps are intended to relate only to retail base rate revenues of FPL based on its current structure and regulatory framework. Thus, for example, incremental revenues attributable to a business combination or acquisition involving FPL, its parent, or its affiliates, whether inside or outside the state of Florida, or revenues from any clause, surcharge or other recovery mechanism other than retail base rates, shall be excluded in determining retail base rate revenues for purposes of revenue sharing under this Stipulation and Settlement.

d. Refund mechanism - Refunds will be paid to customers as described in Section 7.

e. Calculation of sharing threshold and revenue cap for partial calendar years – In the event that this Stipulation and Settlement is terminated other than at the end of a calendar year, the sharing threshold and revenue cap for the partial calendar year shall be determined at the end of that calendar year by (i) dividing the retail kWh sales during the partial calendar year by the retail kWh for the full calendar year, and (ii) applying the resulting fraction to the sharing threshold and revenue cap for the full calendar year that would have been calculated as set forth in Sections 5(a) and 5(b) above.

f. Calculation of annual average growth rate - For purposes of this Section 5, the average annual growth rate shall be calculated by summing the percentage change in retail kWh sales for each year in the relevant ten year period and dividing by 10.

6. If FPL's retail base rate earnings fall below a 10% ROE as reported on an FPSC adjusted or pro-forma basis on an FPL monthly earnings surveillance report during the term of this Stipulation and Settlement, FPL may petition the FPSC to amend its base rates notwithstanding the provisions of Section 3, either as a general rate proceeding or as a limited proceeding under Section 366.076, Florida Statutes. Parties to this Stipulation and Settlement are not precluded from participating in such a proceeding, and, in the event that FPL petitions to initiate a limited proceeding under this Section 6, any Party may petition to initiate any proceeding otherwise permitted by Florida law. This Stipulation and Settlement shall terminate upon the effective date of any Final Order issued in such proceeding that changes FPL's base rates. This paragraph shall not be construed to bar or limit FPL from any recovery of costs otherwise contemplated by this Stipulation and Settlement.

7. All revenue-sharing refunds will be paid with interest at the 30-day commercial paper rate to retail customers of record during the last three months of each applicable refund period based on their proportionate share of base rate revenues for the refund period. For purposes of calculating interest only, it will be assumed that revenues to be refunded were collected evenly throughout the preceding refund period. All refunds with interest will be in the form of a credit on the customers' bills beginning with the first day of the first billing cycle of the second month after the end of the applicable refund period (or, in the case of a partial calendar year refund, after the end of that calendar year). Refunds to former customers will be completed as expeditiously as reasonably possible.

8. Starting with the effective date of this Stipulation and Settlement, FPL may, at its option, amortize up to $125,000,000 annually as a credit to depreciation expense and a debit to the bottom line depreciation reserve over the term of this Stipulation and Settlement. Any such

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reserve amount will be applied first to reduce any reserve excesses by account, as determined in FPL's depreciation studies filed after the term of this Stipulation and Settlement, and thereafter will result in reserve deficiencies. Any such reserve deficiencies will be allocated to individual reserve balances based on the ratio of the net book value of each plant account to total net book value of all plant. The amounts allocated to the reserves will be included in the remaining life depreciation rate and recovered over the remaining lives of the various assets. Additionally, depreciation rates and/or capital recovery schedules shall be established pursuant to the comprehensive depreciation studies as filed March 16, 2005 and will not be changed for the term of this Stipulation and Settlement.

9. FPL will be permitted clause recovery of prudently incurred incremental costs associated with the establishment of a Regional Transmission Organization or any other costs arising from an order of the FPSC or the Federal Energy Regulatory Commission addressing any alternative configuration or structure to address independent transmission system governance or operation. Any Party to this Stipulation and Settlement may participate in any proceeding relating to the recovery of costs contemplated in this section for the purpose of challenging the reasonableness and prudence of such costs, but not for the purpose of challenging FPL's right to clause recovery of such costs.

10. No Party to this Stipulation and Settlement shall appeal the FPSC's Final Order in Docket No. 041291-EI. Further, Parties agree to the following provisions relative to the target level and funding of Account No. 228.1 and recovery of any deficits in such Account:

a. The target level for Account No. 228.1 shall be as established by the Commission, whether on its own motion, upon petition by FPL, or in conjunction with a proceeding held in accordance with Section 366.8260, Florida Statutes. FPL will be permitted to recover prudently incurred costs associated with events covered by Account No. 228.1 and replenish Account No. 228.1 to a target level through charges to customers, that are approved by the Commission, that are independent of and incremental to base rates and without the application of any form of earnings test or measure. The fact that insufficient funds have been accumulated in Account No. 228.1 to cover costs associated with events covered by that Account shall not be evidence of imprudence or the basis of a disallowance. Replenishment of Account No. 228.1 to a target level approved by the Commission and/or the recovery of any costs incurred in excess of funds accumulated in Account No. 228.1 and insurance shall be accomplished through Section 366.8260, Florida Statutes, and/or through a separate surcharge that is independent of and incremental to retail base rates, as approved by the Commission. Parties to this Stipulation and Settlement are not precluded from participating in such a proceeding, nor precluded from challenging the amount of such target level or whether recovery should be accomplished either through Section 366.8260, Florida Statutes or through a separate surcharge.

b. The current base rate accrual to Account No. 228.1 of $20.3 million is suspended effective January 1, 2006.

c. No revenues contemplated by this Section 10 shall be included in the computation of retail base rate revenues for purposes of revenue sharing under this Stipulation and Settlement.

11. The current decommissioning accrual of $78,516,937 (jurisdictional) approved in Order No. PSC-02-0055-PAA-EI shall be suspended effective September 1, 2005 and shall remain suspended through the Minimum Term and, at the Company's option, for any additional period during which this Stipulation and Settlement remains in effect. FPL's decommissioning study to be filed on or before December 31, 2005 shall have no impact on FPL's base rates, charges, or the terms of this Stipulation and Settlement.

12. The portion of St. Johns River Power Park ("SJRPP") capacity costs and certain capacity revenues that are currently embedded in base rates shall continue to be recovered through base rates in the current manner as contemplated by Order No. PSC-92-1334-FOF-EI.

13. New capital costs for environmental expenditures recovered through the Environmental Cost Recovery Clause will be allocated, for the purpose of clause recovery, consistent with FPL's current cost of service methodology.

14. Post-September 11, 2001 incremental security costs shall remain in and be recovered through the Capacity Clause.

15. For surveillance reporting requirements and all regulatory purposes, FPL's ROE will be calculated based upon an adjusted equity ratio as follows. FPL's adjusted equity ratio will be capped at 55.83% as included in FPL's projected 1998 Rate of Return Report for surveillance purposes. The adjusted equity ratio equals common equity divided by the sum of common equity, preferred equity, debt and off-balance sheet obligations. The amount used for off-balance sheet obligations will be calculated per the Standard & Poor's methodology.

16. Effective on the Implementation Date, FPL will continue to operate without an authorized Return on Equity (ROE) range for the purpose of addressing earnings levels, and the

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revenue sharing mechanism herein described will be the appropriate and exclusive mechanism to address earnings levels, but an ROE of 11.75% shall be used for all other regulatory purposes.

17. For any power plant that is approved pursuant to the Florida Power Plant Siting Act (PPSA) and achieves commercial operation within the term of this Stipulation and Settlement, the costs of which are not recovered fully through a clause or clauses, FPL's base rates will be increased by the annualized base revenue requirement for the first 12 months of operation, reflecting the costs upon which the cumulative present value revenue requirements (CPVRR) were or are predicated, and pursuant to which a need determination was granted by the FPSC, such adjustment to be reflected on FPL's customer bills by increasing base charges, and non-clause recoverable credits, by an equal percentage. FPL will begin applying the incremental base rate charges required by this Stipulation and Settlement to meter readings made on and after the commercial in service date of any such power plant. Such adjustment shall be referred to as a Generation Base Rate Adjustment (GBRA). The GBRA will be calculated using an 11.75% ROE and the capital structure as per Section 15 above. FPL will calculate and submit for Commission confirmation the amount of the GBRA using the Capacity Clause projection filing for the year that the plant is to go into service. In the event that the actual capital costs of generation projects are lower than were or are projected in the need determination proceeding, the difference will be flowed back via a true-up to the Capacity Clause. In the event that actual capital costs for such power plant are higher than were projected in the need determination proceeding, FPL at its option may initiate a limited proceeding per Section 366.076, Florida Statutes, limited to the issue of whether FPL has met the requirements of Rule 25-22.082(15), Florida Administrative Code. If the Commission finds that FPL has met the requirements of Rule 25-22.082(15), FPL shall increase the GBRA by the corresponding incremental revenue

requirement due to such additional capital costs. However, FPL's election not to seek such an increase in the GBRA shall not preclude FPL from booking any incremental costs for surveillance reporting and all regulatory purposes subject only to a finding of imprudence or disallowance by the Commission. Upon termination of the Stipulation and Settlement, FPL's base rate levels, including the effects of any GBRA, shall continue in effect until next reset by the Commission. Any Party to this Stipulation and Settlement may participate in any such limited proceeding for the purpose of challenging whether FPL has met the requirements of Rule 25-22.082(15). A GBRA shall be implemented upon commercial operation of Turkey Point Unit 5, currently projected to occur in mid-2007, by increasing base rates by the estimated annual revenue requirement exclusive of fuel of the costs upon which the CPVRR for Turkey Point Unit 5 were predicated, and pursuant to which a need determination was granted by the FPSC in Order No. PSC-04-0609-FOF-EI, such adjustment to be reflected on FPL's customer bills by increasing base charges and non-clause recoverable credits, by an equal percentage. FPL will begin applying the incremental base rate charges required by this Stipulation and Settlement to meter readings made on and after the commercial in service date of Turkey Point Unit 5.

18. This Stipulation and Settlement is contingent on approval in its entirety by the FPSC. This Stipulation and Settlement will resolve all matters in these Dockets pursuant to and in accordance with Section 120.57(4), Florida Statutes. This Docket will be closed effective on the date the FPSC Order approving this Stipulation and Settlement is final.

19. All Parties to this Stipulation and Settlement agree to endorse and support the Stipulation and Settlement before the FPSC and any other administrative or judicial tribunal, and in any other forum.

20. This Stipulation and Settlement dated as of August 22, 2005 may be executed in counterpart originals, and a facsimile of an original signature shall be deemed an original.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Stipulation and Settlement by their signature.

Florida Power & Light Company
700 Universe Boulevard
*Juno Beach*, FL 33408

By:______________________
W. G. Walker, III

Charles J. Crist, Jr., Attorney General
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By:______________________
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By:______________________
Harold A. McLean, Esq.

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By:______________________
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South Florida Hospital & Healthcare Assoc.

Andrews Kurth LLP
1701 Pennsylvania Avenue, NW
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Washington, DC 20006

By:______________________
Kenneth L. Wiseman, Esq.

ATTACHMENT A

The Commercial Group

McKenna Long & Aldridge LLP
One Peachtree Center
303 Peachtree Street NE, Suite 5300
Atlanta, GA 30308

By: ______________________
Alan R. Jenkins, Esq.

AARP

Michael B. Twomey, Esq.
P.O. Box 5256
Tallahassee, FL 32314-5256

By: ______________________
Michael B. Twomey, Esq.

Florida Retail Federation

Landers & Parsons, P.A.
310 West College Avenue
Tallahassee, FL 32301

By: Robert Scheffel Wright
Robert Scheffel Wright, Esq.

Federal Executive Agencies

Major Craig Paulson, Esq.
139 Barnes Drive
Tyndall Air Force Base, FL 32403

By: Craig Paulson
Major Craig Paulson, Esq.

Walt Dartland
Common Cause, Florida
+ individual customers

EXHIBIT___(LK-4)

FPL GROUP.

FPL.

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

## Washington, D.C. 20549

## FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2009**

| Commission File Number | Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number | IRS Employer Identification Number |
|---|---|---|
| 1-8841 | FPL GROUP, INC. | 59-2449419 |
| 2-27612 | FLORIDA POWER & LIGHT COMPANY | 59-0247775 |
| | 700 Universe Boulevard<br>Juno Beach, Florida 33408<br>(561) 694-4000 | |

State or other jurisdiction of incorporation or organization: Florida

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days.

FPL Group, Inc. Yes ☑ No ☐ Florida Power & Light Company Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

FPL Group, Inc. Yes ☐ No ☐ Florida Power & Light Company Yes ☐ No ☐

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

| | | | | |
|---|---|---|---|---|
| FPL Group, Inc. | Large Accelerated Filer ☑ | Accelerated Filer ☐ | Non-Accelerated Filer ☐ | Smaller Reporting Company ☐ |
| Florida Power & Light Company | Large Accelerated Filer ☐ | Accelerated Filer ☐ | Non-Accelerated Filer ☑ | Smaller Reporting Company ☐ |

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☑

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at March 31, 2009: 410,792,960 shares.

As of March 31, 2009, there were issued and outstanding 1,000 shares of Florida Power & Light Company common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

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This combined Form 10-Q represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

Florida Power & Light Company meets the conditions set forth under General Instruction H.(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format

**FLORIDA POWER & LIGHT COMPANY**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(millions)**
**(unaudited)**

| | Three Months Ended March 31, 2009 | Three Months Ended March 31, 2008 |
|---|---|---|
| OPERATING REVENUES | $ 2,573 | $ 2,534 |
| OPERATING EXPENSES | | |
| Fuel, purchased power and interchange | 1,469 | 1,457 |
| Other operations and maintenance | 340 | 378 |
| Storm cost amortization | 19 | 11 |
| Depreciation and amortization | 232 | 196 |
| Taxes other than income taxes | 251 | 248 |
| Total operating expenses | 2,311 | 2,290 |
| OPERATING INCOME | 262 | 244 |
| OTHER INCOME (DEDUCTIONS) | | |
| Interest expense | (77) | (86) |
| Allowance for equity funds used during construction | 15 | 5 |
| Interest income | - | 4 |
| Other – net | (2) | (3) |
| Total other deductions – net | (64) | (80) |
| INCOME BEFORE INCOME TAXES | 198 | 164 |
| INCOME TAXES | 71 | 56 |
| NET INCOME | $ 127 | $ 108 |

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2008 Form 10-K for FPL Group and FPL. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

### Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges but which do not qualify for hedge accounting and the ineffective portion of transactions accounted for as cash flow hedges. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings does not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement with the U.S. Government (settlement agreement) agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. In connection with the settlement agreement, FPL Group established an approximately $153 million ($100 million for FPL) receivable from the U.S. Government and a liability to nuclear plant joint owners of $22 million ($5 million for FPL), which are included with other receivables and other current liabilities, respectively, in the condensed consolidated balance sheets at March 31, 2009. In addition, FPL Group reduced its March 31, 2009 property, plant and equipment balances by $107 million ($83 million for FPL) and, for the three months ended March 31, 2009, reduced operating expenses by $15 million ($12 million for FPL) and increased operating revenues by $9 million. The payments due from the U.S. Government under the settlement agreement increased FPL Group's net income for the three months ended March 31, 2009 by approximately $16 million ($9 million for FPL). A substantial portion of the amount due from the U.S. Government is expected during the second quarter of 2009. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

*Summary* – Presented below is a summary of net income (loss) by reportable segment (see Note 10):

| | Three Months Ended March 31, 2009 | Three Months Ended March 31, 2008 |
|---|---|---|
| | (millions) | |
| FPL | $ 127 | $ 108 |
| NextEra Energy Resources | 252 | 164 |
| Corporate and Other | (15) | (23) |
| FPL Group Consolidated | $ 364 | $ 249 |

The increase in FPL's results for the three months ended March 31, 2009 reflects the settlement agreement, lower operations and maintenance (O&M) expenses and a higher equity component of AFUDC (AFUDC – equity) partly offset by lower retail customer usage.

NextEra Energy Resources' results for the three months ended March 31, 2009 reflect additional earnings from new investments, the foreign, state and convertible ITCs tax benefits (see Note 4), as well as the absence of an unplanned outage in 2008 at the Seabrook nuclear facility and the settlement agreement. These additional earnings were partially offset by lower results in the remainder of the existing portfolio primarily due to Electric Reliability Council of Texas (ERCOT) market conditions, a refueling outage at the Duane Arnold nuclear site and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. In addition, interest expense and administrative and general expenses were higher to support growth of the business. FPL Group's and NextEra Energy Resources' net income for the three months ended March 31, 2009 reflects net unrealized after-tax gains from non-qualifying hedges of $30 million while in the prior period net income reflects net unrealized after-tax losses from such hedges of $52 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles. For the three months ended March 31, 2009 and 2008, NextEra Energy Resources recorded $31 million and $4 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the three months ended March 31, 2009, NextEra Energy Resources had approximately $1 million of after-tax OTTI reversals; there were no such OTTI reversals for the three months ended March 31, 2008.

The improvement in results for Corporate and Other in 2009 is primarily due to additional interest income.

*FPL* – FPL's net income for the three months ended March 31, 2009 and 2008 was $127 million and $108 million, respectively, an increase of $19 million. The increase reflects the settlement agreement, lower O&M expenses and higher AFUDC – equity partly offset by lower retail customer usage.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the GBRA mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues year-over-year by approximately $1 billion in 2010 and an additional $250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. Hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order. FPL expects that retail base revenues will increase approximately $65 million in 2009 when retail base rates are changed pursuant to the GBRA mechanism to reflect the placement in service of West County Energy Center Unit Nos. 1 and 2, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009, respectively.

FPL's operating revenues consisted of the following:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2009 | 2008 |
| | (millions) | |
| Retail base | $ 794 | $ 822 |
| Fuel cost recovery | 1,325 | 1,331 |
| Other cost recovery clauses and pass-through costs | 404 | 333 |
| Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees | 50 | 48 |
| Total | $ 2,573 | $ 2,534 |

For the three months ended March 31, 2009, a decrease in the average number of customers of 0.4% decreased retail base revenues by approximately $3 million while a 4.4% decrease in usage per retail customer, primarily reflecting factors other than weather conditions, decreased retail base revenues by approximately $25 million. The decline FPL experienced in retail customer growth in the latter half of 2007 and throughout 2008 as well as a decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida, has continued into 2009. FPL is unable to predict if growth in customers and non-weather related customer usage will return to previous trends. The decline in retail customer usage for the three months ended March 31, 2009 also reflects one less day of sales in 2009, as 2008 was a leap year.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the condensed consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements; any resulting gains or losses are passed through the fuel clause. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately $1,309 million and $1,109 million at March 31, 2009 and December 31, 2008, respectively. The decrease in fuel revenues for the three months ended March 31, 2009 reflects approximately $58 million attributable to lower energy sales partly offset by approximately $52 million related to a higher average fuel factor. The increase in revenues from other cost recovery clauses and pass-through costs is primarily due to additional revenues associated with the nuclear cost recovery rule.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

| | Three Months Ended March 31, 2009 | Three Months Ended March 31, 2008 |
|---|---|---|
| | (millions) | |
| Fuel and energy charges during the period | $ 1,083 | $ 1,236 |
| Net collection of previously deferred retail fuel costs | 254 | 104 |
| Other, primarily capacity charges net of any capacity deferral | 132 | 117 |
| Total | $ 1,469 | $ 1,457 |

The decrease in fuel and energy charges for the three months ended March 31, 2009 reflects lower fuel and energy prices of approximately $104 million and $49 million attributable to lower energy sales. At March 31, 2009, approximately $1 million of retail fuel costs were deferred pending collection from retail customers in a subsequent period. The decrease from December 31, 2008 to March 31, 2009 in deferred clause and franchise expenses and the increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets totaled approximately $266 million and positively affected FPL Group's and FPL's cash flows from operating activities for the three months ended March 31, 2009.

FPL's O&M expenses decreased $38 million for the three months ended March 31, 2009 reflecting lower nuclear, fossil generation and distribution costs of approximately $20 million, $12 million and $12 million, respectively. The decline in nuclear costs reflects a reimbursement of costs expected under the terms of the settlement agreement, as well as lower costs related to plant improvement initiatives and refueling and maintenance outages. The decline in fossil generation costs is primarily due to differences in the timing of plant overhauls which are expected to occur later this year. The decline in distribution costs reflects lower support costs and the timing of work activities. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2009 to exceed the 2008 level, primarily due to the absence of an environmental insurance policy termination which occurred in the fourth quarter of 2008, as well as higher expected nuclear, fossil generation, transmission, customer service, information management and other support costs and employee benefit costs.

Depreciation and amortization expense for the three months ended March 31, 2009 increased $36 million, reflecting the amortization of approximately $32 million of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule and higher depreciation on transmission and distribution facilities (collectively, approximately $6 million) offset by a reduction in depreciation due to the settlement agreement.

The decline in interest expense for the three months ended March 31, 2009 is primarily due to a decline in average interest rates of approximately 62 basis points, partly offset by higher average debt balances. The decline in interest expense also reflects a higher debt component of AFUDC. The increase in AFUDC – equity for the three months ended March 31, 2009 is primarily attributable to additional AFUDC – equity on three natural gas-fired combined-cycle units of approximately 1,220 mw each at FPL's West County Energy Center in western Palm Beach County, Florida.

FPL is currently constructing the three natural gas-fired combined-cycle units at its West County Energy Center, which units are expected to be placed in service by the third quarter of 2009, fourth quarter of 2009 and mid-2011, respectively. In addition, FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Siting Board approval is pending and a decision is expected in early 2010. In April 2009, FPL filed a need petition with the FPSC for an approximately 300-mile underground natural gas pipeline in Florida, which is projected to be in service in 2014. If approved, the pipeline would supply natural gas to the Cape Canaveral and Riviera power plants once they are modernized. An FPSC decision is expected in July 2009. The pipeline requires additional approvals from, among others, the Siting Board.

In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020, which units are expected in the aggregate to add between 2,200 mw and 3,040 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. In 2009, FPL began recovering, under the capacity clause in accordance with the FPSC's nuclear cost recovery rule, pre-construction costs associated with FPL's planned nuclear units and carrying charges (equal to the pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity. Substantially all of these costs are subject to a prudence review by the FPSC. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase.

*NextEra Energy Resources* – NextEra Energy Resources' net income for the three months ended March 31, 2009 and 2008 was $252 million and $164 million, respectively, an increase of $88 million. The primary drivers, on an after-tax basis, of this increase were as follows:

| | Increase (Decrease) Three Months Ended March 31, 2009 (millions) |
|---|---|
| New investments [(a)] | $ 58 |
| Existing assets [(a)] | (31) |
| Full energy and capacity requirements services and trading | (6) |
| Asset sale | 3 |
| Interest expense, differential membership costs and other | 8 |
| Change in unrealized mark-to-market non-qualifying hedge activity [(b)] | 82 |
| Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals | (26) |
| Net income increase | $ 88 |

a) Includes PTCs and ITCs on wind projects and ITCs on solar projects as well as tax benefits under the Recovery Act (see Note 4) but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.
b) See Note 2 and discussion above related to derivative instruments.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 1,300 mw of wind generation during or after the first quarter of 2008 and the state and convertible ITCs tax benefits (see Note 4). Results from NextEra Energy Resources' existing asset portfolio decreased primarily due to unfavorable market conditions in the ERCOT region, a refueling outage at the Duane Arnold nuclear facility and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. These decreased results from the existing asset portfolio were partially offset by the absence of an unplanned outage in 2008 at the Seabrook nuclear facility, favorable commodity margins from NextEra Energy Resources' retail energy provider and the settlement agreement.

NextEra Energy Resources' first quarter 2009 financial results reflect lower gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services include load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer, as well as various ancillary services.

The asset sale represents the sale of wind development rights in 2009. The increase in interest expense, differential membership costs and other reflects the foreign tax benefit (see Note 4), partially offset by higher interest expense and corporate general and administrative costs due to growth of the business.

**EXHIBIT___(LK-5)**

FPL GROUP.

FPL Group, Inc.
Corporate Communications Dept.
Media Line: (305) 552-3888
April 28, 2009

**FOR IMMEDIATE RELEASE**

NOTE TO EDITORS: This news release reflects the earnings report of FPL Group, Inc. Reference to the corporation and its earnings or financial results should be to "FPL Group" and not abbreviated using the name "FPL" as the latter is the name/acronym of the corporation's electric utility subsidiary.

## FPL Group announces solid first quarter earnings for 2009

- NextEra Energy Resources reports strong results
- Difficult economy continues to challenge Florida Power & Light Company
- FPL Group raises adjusted earnings per share expectations to a range of $4.20 to $4.40 for 2009 and $4.65 to $5.05 for 2010

JUNO BEACH, Fla. – FPL Group, Inc. (NYSE: FPL) today reported 2009 first quarter net income on a GAAP basis of $364 million, or $0.90 per share, compared with $249 million, or $0.62 per share, in the first quarter of 2008. On an adjusted basis, FPL Group's earnings were $364 million, or $0.90 per share, compared with $305 million, or $0.76 per share, in the first quarter of 2008. Adjusted earnings exclude the mark-to-market effects of non-qualifying hedges and the net effect of other than temporary impairments (OTTI) on certain investments, both of which relate to NextEra Energy Resources.

FPL Group management uses adjusted earnings, which is a non-GAAP financial measure, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as input in determining whether certain performance targets are met for performance-based compensation under the company's employee incentive compensation plans. FPL Group also uses earnings expressed in this fashion when communicating its earnings outlook to analysts and investors. FPL Group management believes that adjusted earnings provide a more meaningful representation of FPL Group's fundamental earnings power. The attachments to this news release include a reconciliation of historical adjusted earnings to net income, which is the most directly comparable GAAP measure.

"FPL Group had a very good first quarter, with adjusted earnings per share rising 18 percent year over year, largely as a result of strong results from our NextEra Energy Resources subsidiary. At Florida Power & Light, we announced proposed investments that will significantly improve the electrical system for our customers – specifically, a large-scale deployment of 'smart grid' technology in Miami, and a new natural gas pipeline to provide increased energy security. As pleased as we are with FPL Group's current results, we are even more optimistic about the future. The reason is simple: We believe that the policy climate in the nation is trending in a direction highly favorable to power companies with low emissions profiles and significant clean-energy fleets," said FPL Group Chairman and CEO Lew Hay.

**Florida Power & Light Company**
FPL Group's rate-regulated utility subsidiary, Florida Power & Light Company, reported first quarter net income of $127 million, or $0.31 per share, compared with $108 million, or $0.27 per share, for the prior-year quarter. The weak economy, however, continued to have a negative impact on FPL. Sales declined for the quarter on a year-over-year basis, as did the average number of customers and usage per customer.

FPL's improved results were driven by a 10 percent reduction in operations and maintenance expenses compared to last year's first quarter, with much of that reduction attributable to timing of expenses in 2009. In addition, in March of this year, FPL, along with certain NextEra Energy Resources subsidiaries, signed a settlement agreement with the U.S. government dismissing lawsuits related to spent nuclear fuel disposal. The total settlement helped FPL Group's net income by about 4 cents per share, half of which was at FPL.

Other key developments:

- In March, FPL filed a rate proposal with the Florida Public Service Commission (PSC) that would support investment in improving fuel efficiency, generating cleaner energy and enhancing system reliability, while keeping customer bills low. Under the company's proposal, the typical 1,000 kilowatt-hour residential customer bill would decrease by an estimated $4.92 monthly, or 4.5 percent, from $109.55 to $104.63 on Jan. 1, 2010. This bill estimate reflects an increase in base rates that would be more than offset by reductions in the cost of fuel based on Feb. 9, 2009 fuel price projections for 2010 as well as improvements in fuel efficiency.
- In April, FPL filed a proposal with the PSC for the construction of a new underground natural gas pipeline in Florida to meet increasing demand for natural gas as a clean fuel for generating electricity while helping to diversify and secure the state's access to natural gas supplies. The pipeline, approximately 300 miles long, is proposed for construction in the eastern portion of the state from Palm Beach County in the south to Bradford County in the north.
- Also in April, FPL announced its "Energy Smart Miami" initiative. The initiative has the potential to be the most extensive and holistic smart grid implementation in the country. The backbone will be the deployment of more than 1 million advanced wireless "smart meters" to every home and most businesses in Miami-Dade County, which will be connected by a two-way wireless network, along with expected pilot programs involving renewable energy integration, deployment of plug-in hybrid electric vehicles and consumer technology trials of in-home energy displays and home energy controllers.

**NextEra Energy Resources**
NextEra Energy Resources, the competitive energy business of FPL Group with generating facilities in 25 states and Canada, reported first quarter net income on a GAAP basis of $252 million, or $0.62 per share, compared with $164 million, or $0.41 per share, in the prior-year quarter. On an adjusted basis, NextEra Energy Resources' earnings were $252 million, or $0.62 per share, compared with $220 million, or $0.55 per share, in the first quarter of 2008.

NextEra Energy Resources' first quarter adjusted earnings per share contribution rose by 13 percent over the prior-year quarter. These results were driven primarily by new investments, specifically new wind generation facilities. Included in this category are the favorable impacts of state investment tax incentives and the American Recovery and Reinvestment Act of 2009. Adjusted earnings from the existing portfolio, which includes both the contracted and merchant segments, declined versus the year ago quarter. The contracted segment was down due primarily to a refueling outage at one of our nuclear plants this year and lower earnings at one of the company's natural gas-fired facilities in the Northeast. Earnings from the merchant assets in the Electric Reliability Council of Texas (ERCOT) were down due to softer market conditions, partially offset by incremental contributions from the company's retail provider, Gexa. The merchant assets in the New England Power Pool (NEPOOL) were up 3 cents owing to the absence of an unplanned outage that occurred during last year's first quarter. The existing wind portfolio was down compared to last year's first quarter primarily reflecting a weaker wind resource. NextEra Energy Resources' results also benefited from an additional equity investment made in its Canadian operations that allowed the company to reduce previously deferred taxes.

In late January, the Public Utility Commission of Texas (PUCT) approved the state's Competitive Renewable Energy Zone initiative, a collaborative effort by the PUCT, ERCOT and interested stakeholders to deliver more renewable wind energy to customers in the state. The PUCT voted to implement an approximately $5 billion transmission build-out, awarding 11 percent of the total, or approximately $565 million, to Lone Star Transmission, an FPL Group subsidiary. Lone Star is expected to add approximately 250 miles of 345 kilovolt lines capable of transporting a significant amount of renewable energy from West Texas to the Dallas-Ft. Worth area.

***Corporate and Other***
The loss in Corporate and Other declined to $15 million in the first quarter of 2009 from $23 million in the first quarter of 2008.

***Outlook***
FPL Group believes it is well positioned for earnings growth and now believes the company will deliver adjusted earnings per share for 2009 and 2010 in a higher range than previously announced. For 2009, the new adjusted earnings per share range is $4.20 to $4.40 and for 2010 the new range is $4.65 to $5.05. Please see the accompanying cautionary statements for a list of risk factors that may affect future earnings.

As always, FPL Group's adjusted earnings expectations assume, among other things, normal weather and operating conditions, no further decline in the national or Florida economy, a reasonable capital markets atmosphere, and exclude the mark-to-market effect of non-qualifying hedges, OTTI, and the cumulative effect of adopting new accounting standards, if any, none of which can be determined at this time.

As previously announced, FPL Group's first-quarter earnings conference call is scheduled for 9 a.m. EDT on Tuesday, April 28, 2009. The webcast is available on FPL Group's Web site by accessing the following link, http://www.FPLGroup.com/investor/contents/investor_index.shtml. The slides and earnings release accompanying the presentation may be downloaded at www.FPLGroup.com beginning at 7:30 a.m. EDT today. For people unable to listen to the live webcast, a replay will be available for 90 days by accessing the same link as listed above.

**EXHIBIT___(LK-6)**

**CONFIDENTIAL**

**INFORMATION**

**REDACTED**

**EXHIBIT___(LK-7)**

CONFIDENTIAL

INFORMATION

REDACTED

EXHIBIT___(LK-8)

CONFIDENTIAL

INFORMATION

REDACTED

EXHIBIT___(LK-9)

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Second Set of Interrogatories**
**Interrogatory No. 119**
**Page 1 of 1**

**Q.**
**Interrogatories Directed to Ms. Kim Ousdahl:**

Regarding Schedule C-36. For 2009 and 2010, please describe each of the major factors that cause the increases in non-fuel operations and maintenance expenses from each prior year (2009 compared to 2008 and 2010 compared to 2009). Your answer should explain why each factor contributes to the increase.

**A.**
See Attachment No. 1.

**Q. Interrogatories Directed to Ms. Kim Ousdahl:**

Regarding Schedule C-36. For 2009 and 2010, please describe each of the major factors that cause the increases in non-fuel operations and maintenance expenses from each prior year (2009 compared to 2008 and 2010 compared to 2009). Your answer should explain why each factor contributes to the increase.

**A.**

**Non-fuel O&M Expenses**

| Expense Type | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **2008 Corporate Total** | **$** | **1,306,728** | |
| Base O&M | $ | 135,912 | See Attached |
| Revenue Enhancement | $ | 11,454 | See Attached |
| Other | $ | (3,770) | Less than 3.0%, not material |
| **Total Increase / (Decrease)** | **$** | **143,596** | |
| **2009 Corporate Total** | **$** | **1,450,324** | |
| | | | |
| **2009 Corporate Total** | **$** | **1,450,324** | |
| Base O&M | $ | 118,358 | See Attached |
| Revenue Enhancement | $ | 1,785 | See Attached |
| Other | $ | (435) | Less than 0.4%, not material |
| **Total Increase / (Decrease)** | **$** | **119,708** | |
| **2010 Corporate Total** | **$** | **1,570,032** | |

**Non-Fuel O&M Expenses**
**(Base O&M)**
**2008 - 2009**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **2008 Corporate Total** | $ | 1,298,526 | |
| **Distribution** | | (8,900) | Forecasted reduction in customer growth |
| | | (1,258) | Staff support reductions |
| | | 5,800 | Higher level of Storm Secure work |
| | $ | (4,358) | |
| **Customer Service** | $ | 2,184 | Increase is attributed to activities associated with field services functions. The increase is driven primarily by higher staffing, training and vehicle cost. |
| | | 2,054 | Increase is attributed to activities associated with meter reading, billing and payment processing functions. The increase is primarily driven by customer growth and new meter sets, vehicle, equipment, maintenance and postage expense. |
| | | 1,640 | Increase is attributed to activities associated with credit and collection functions to continue to minimize bad debt. Increase is driven primarily by higher staffing, postage, equipment and material and collection agency expense. |
| | | 1,523 | Increase is attributed to support services expenses associated with increased activities to support customer service including complaint handling, customer advocacy, business continuity, employee development and quality training. |
| | | 1,373 | Increase is attributed to care center expense primarily associated with expected increases in call volume, management and quality support staff, telecommunications and maintenance expense. |
| | | 1,208 | Increase in Automated Metering Infrastructure (AMI) expense driven by costs associated with the current operational phase of the project. |
| | | 920 | Increase in Uncollectible Accounts Receivable based on current economic assumptions |
| | $ | 10,901 | |
| **Transmission** | $ | 1,210 | Regulatory commitments that include telecommunication/software licenses and increased staffing required by NERC for SCC |
| | | 950 | Vegetation expenditures required to comply with NERC standard FAC. |
| | | 500 | Training and recertification programs to support continuing compliance with reliability standards |
| | | 435 | Pole inspection programs and storm hardening required by the FPSC |
| | | 1,700 | Continuing and additional condition assessment/life extension activities on aging infrastructure and initiatives to perform real time statistical analysis of equipment performance |
| | | 1,380 | Transfer responsibility for Distribution underbuilt program to Transmission & Substation from Distribution |
| | $ | 6,175 | |
| **Power Generation** | $ | 9,984 | Structural Maintenance & Reliability Projects |
| | | 9,746 | West County Energy Center Operational |
| | | 3,492 | Scherer Unit 4 Performance Fee |
| | | (9,322) | No overhaul for Scherer Unit 4 in 2009 |
| | | (915) | Other (net) |
| | $ | 12,985 | |
| **Engineering, Construction, Corp S'** | $ | 281 | Merit increases impact |
| | | 675 | Increase in salaries due to filling of vacant positions in 2008 |
| | | 385 | O&M impact of 4 new approved positions |
| | | 890 | Increased Maintenance - increase in Substation/Svc Center/Courier maintenance costs primarily driven by fuel and utilities increases along with 11 new substations. |
| | | 527 | Facility Optimization Initiative to maximize utilization of existing space to accommodate needs |
| | | 505 | Energy Efficient Initiatives to support green initiative and reduce costs |
| | | 210 | NERC Regulatory requirement to upgrade security access to Transmission related facilities |
| | | 200 | Storm Hardening to address 2008 Strom Dry Run action items |
| | | (201) | Non-recurring projects from 2008 partially offset by deferred projects from 2008 |
| | | 56 | Other - miscellaneous |
| | $ | 3,528 | |

**Non-Fuel O&M Expenses**
**(Base O&M)**
**2008 - 2009**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **Nuclear** | $ | 7,700 | Inflation at 2% |
| | | 11,000 | Regular Payroll (headcount increase; operations pipeline and Fatigue Rule impact) |
| | | (5,100) | Overtime Payroll (impact of headcount increase and Fatigue Rule) |
| | | 14,500 | Discretionary projects |
| | | (4,400) | Short Notice Outages (not budgeted, but in 2008 actuals) |
| | | (6,500) | Turkey Point Excellence (ramp down of project) |
| | | (4,100) | PSL Spent Fuel Storage Loading Campaigns (not budgeted in 2009 - only occurs as necessary) |
| | | 3,200 | PSL-PTN-ENG Station Projects |
| | | (1,300) | Other |
| | $ | 15,370 | |
| **Accounting, Financial & Other** | $ | 43,818 | AEGIS Environmental Insurance Policy commutation payment, only credited in 2008 |
| | | 2,483 | Payroll Accrual - Driven by increase in budgeted payroll dollars |
| | | 2,034 | St. Lucie Participation Credit - 2009 credit lower due to differences in the outage schedules |
| | | 1,516 | Centerpoint and Entergy mutual assistance - Billing for assistance provided during hurricane |
| | | (9,000) | Estimated DOE Settlement - credit budgeted in 2009 |
| | | (4,440) | Pension & Welfare Credit - increased credit driven by an increase in capitalized payroll expenses ($3,634) and PWTI rate ($806K) vs. 2008. 2008 PWTI rate was 7.36% and 2009 was 7.62% |
| | | (2,833) | Affiliate Management Fee - Driven by an increase in cost pool expenses and an increase in the Massachusetts Formula allocation rate |
| | | (4,776) | 2008 HR Severance Accrual |
| | | 684 | Other |
| | $ | 29,486 | |
| **Human Resources** | $ | 5,405 | Medical: The 2008 to 2009 increase is being driven by a blended medical trend of 9.28% (12% bargaining, 8% nonbargaining), which is in line with national medical increases in trends. For 2009, the resulting forecast was reduced by ~$1.2M, primarily reflecting increased employee contributions. |
| | | 2,969 | FAS 112: Primary cost drivers include actual disability experience, and to a lesser degree assumptions regarding discount rates and medical trends. FPL's 2009 expense reflects an average of historical results. |
| | | 10,235 | FAS 87: Primary driver of year over year increase is the impact of a significant negative return on assets (credit budget) in 2008 as well as the impact of a union arbitration decided in October of 2008. These factors were offset by an expected increase in the discount rate. |
| | | 5,165 | Corporate Incentive Program: 2008 to 2009 cost drivers include employee headcount, merit and market pay increases, as well as corporate, business unit, and individual performance against established performance indicators. |
| | | (691) | Other: Mainly driven by a decrease in FAS 106 Retiree Medical (due to fewer eligible emloyees) and other miscellaneous items, offset by an increase in Workers' Comp (due to lowered expectation of settled claims). |
| | $ | 23,082 | |
| **Information Management** | $ | 4,146 | Represents the O&M component for the second year of the Future Enterprise Network Architecture project (FENA). The increase in O&M from 2008 can be mainly attributed to the need of circuit redundancy with carrier diversity services required during the implementation stages to reduce the risk of network outages at critical sites such as data centers, nuclear plants, care centers, and dispatch centers while our wide area network is being upgraded. There is also professional services and equipment maintenance included in this increase. |
| | $ | 1,090 | Increase represents the consulting services associated with two Information security initiatives in 2009: (a) Information Security Provisioning tool replacement ($340k) to eliminate the current system limitations, manual work and multiple interfaces required to complete system requests; and (b) Identity Management Role Based & Process Re-engineering ($795) to streamline the current access control administration process which is highly customized and requires extensive human intervention and also makes it difficult to evaluate security issues such as Segregation of Duties violations (SOD). |
| | $ | 1,390 | Mainly attributed to the utility portion new maintenance contracts associated with the Nuclear Asset Management (NAMS) software as part of the current implementation. |
| | | 2,232 | Standard HR compensation programs as well as projected increase in headcount to be able to execute our Information Technology enterprise projects |
| | | 354 | Misc |
| | $ | 9,213 | |

**Non-Fuel O&M Expenses**
**(Base O&M)**
**2008 - 2009**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **Financial Business Unit** | $ | 1,164 | Greater nuclear liability insurance due to higher projected premiums and lower projected nuclear liability and other distributions in 2009. |
| | | 3,171 | Greater executive SERP thrift program and Board of Director pension program attributable to anticipated growth in FPL stock price. |
| | | 2,600 | Greater executive miscellaneous expense. |
| | | 7,182 | Greater nuclear property insurance due to lower distributions, additional storm premium, and site loss penalty included in 2009. |
| | | 221 | Greater executive industry dues, $0.5 mil and greater audit and professional fees, $0.6 mil, partially offset by discontinuation of the Research and Development program, $(0.2) mil, transfer of responsibility for printing and fulfillment of annual report to Marketing & Communications, $(0.3) mil, and net favorable other, $(0.4) mil. |
| | | 3,345 | Greater executive deferred compensation due to anticipated growth in stock market investments and projected increases in executive stock awards, also greater executive admin-assistant salaries, partially offset by lower executive incentives, severance, and relocation, also greater credits for the executive portion of the affiliate management fee. |
| | **$** | **17,682** | |
| **Regulatory Affairs** | $ | 2,752 | Rate Case expenses incurred |
| | | 1,420 | Regulatory Affairs Department annualized incremental payroll for 11 new positions |
| | | (107) | Net other minor items |
| | **$** | **4,065** | |
| **General Counsel** | $ | 737 | Payroll. Headcount increases - $160K. Under in head count in 2008 - $242. Incentive, merit increases and raises - $635K. |
| | | (336) | Office & Employee Related. Response to economic down turn by reducing travel, entertainment, third party training and reduction of office expenses. |
| | | (491) | Outside Services. Increased staffing levels will enable FPL attorneys to handle matters previously assigned to outside counsel. |
| | | 2,474 | Injuries and Damages. Due to an increase in the Self-insured retention from $ 2 million to $3 million in 2009, the budget was increased in anticipation of these increased costs. Our claims department calculated an annual impact of $2 million dollars. The remainder of the increase is to bring the budget up to the normalized level as 2008 was an unusually low year. |
| | **$** | **2,384** | |
| **Strategy, Policy, and Bus Proc** | | 5,101 | The R74000 is a new business unit. Three sections, Security, Aviation and Environmental Services, were previously under different business units and two new sections, Operational Excellence and Strategic Initiatives, were combined to form the Strategy, Policy and Business Process Improvement business unit.<br>• The salary variance of $3,377,191 is mainly due to new personnel in Strategic Initiatives and Operational Excellence as well as pay increases in the other sections.<br>• The office supplies and expenses variance of $1,352,613 is mainly due to aircraft fuel expenses are higher, new software for Security, relocation and software cost for Strategic Initiatives and Operational Excellence.<br>• The outside services employed variance of $912,764 is mainly due to a classification change between 2008 and 2009.<br>• The miscellaneous general expense variance of $713,755 is mainly due to Environmental Liabilities Reserve (ELR).<br>• The maintenance of general plant variance $143,567 is mainly due to general aircraft maintenance cost increases. |
| | **$** | **5,101** | |
| **Other Base O&M** | **$** | **299** | Less than 0.2% of increase, not material |
| **2009 Corporate Total** | **$** | **1,434,438** | |
| **Total Variance 2008 vs. 2009** | **$** | **135,912** | |

**Non-Fuel O&M Expenses**
**(Revenue Enhancement)**
**2008 - 2009**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **2008 Corporate Total** | **$** | **16,275** | |
| **Customer Service** | | 10,895 | This increase in O&M is due to the planned growth in the Performance Contracting business. Performance Contracting is planning to increase sales revenue by 60% in 2009 vs. 2008. The projected increase in O&M is to support the planned growth. |
| | | 590 | This increase in O&M is due primarily to the administrative expense related to supporting the business growth. |
| | **$** | **11,485** | |
| **Other** | **$** | **(31)** | Less than 0.3% of increase, not material |
| **2009 Corporate Total** | **$** | **27,729** | |
| **Total Variance 2008 vs. 2009** | **$** | **11,454** | |

**Non-Fuel O&M Expenses**
**(Base O&M)**
**2009 - 2010**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **2009 Corporate Total** | $ | 1,434,438 | |
| **Distribution** | | 5,100 | Forecasted increase in customer growth |
| | | 6,600 | Higher level of Storm Secure work |
| | | (2,451) | Staff support reductions |
| | $ | 9,249 | |
| **Customer Service** | $ | (5,783) | Decrease is attributed to lower uncollectible expense. This improvement is driven by the continued application of credit and collections resources to minimize bad debt. |
| | | 4,765 | Increase is attributed to the first year of full-scale deployment of the Automated Metering Infrastructure program (2010). |
| | | 2,406 | Increase is attributed to activities associated with meter reading, billing and payment processing functions. The increase is primarily driven by customer growth and new meter sets, vehicle, equipment, maintenance, postage expense and centralization of key activities. This expense is partially offset by savings associated with Advanced Metering Infrastucture. |
| | | 2,158 | Increase is attributed to activities associated with field services functions. The increase is driven primarily by staffing, training and vehicle cost. |
| | | 1,637 | Increase is attributed to care center expense primarily associated with expected increases in call volume, management and quality support staff, telecommunications and maintenance expense. |
| | | 1,143 | Increase is attributed to support services expenses associated with increased activities to support customer service including customer advocacy, business continuity, employee development and billing and payment options development. |
| | | 632 | Increase is attributed to credit and collection activities to minimize bad debt expense This increase is associated with enhancements to the credit and collections model, and collection agency expense. |
| | $ | 6,958 | |
| **Transmission** | | 9,943 | The primary cost drivers of the variance are initiatives associated with NERC reliability standards and FPL's reliability enhancement program contributes to the increase in projected expenditures for 2010. This includes development and implementation of programs, standard modules, external audits, self-assessments, training and certification programs, reliability studies, and support for continuing compliance with NERC reliability standards. |
| | | 1,500 | Additional condition assessment and life extension activities for Protection and Control equipment and new and expanded training and re-certification programs also account for projected increases for 2010 for Transmission O&M. |
| | | 543 | Other |
| | $ | 11,986 | |
| **Power Generation** | $ | 10,179 | Scherer Unit 4 Semi Annual Overhaul |
| | | 9,172 | West County Energy Center Operational |
| | | 3,213 | Payroll & Routine Maintenance (Inflation) |
| | | 1,657 | Scherer maintenance increase based on condition assessment |
| | | 1,200 | SJRPP maintenance based on condition assessment |
| | | (4,490) | Scherer Performance Fee (reduced) due to overhaul 2010 |
| | | (6,113) | Structural Maintenance & Reliability Projects reduced to level dictated by condition assessment |
| | | 82 | Other (net) |
| | $ | 14,900 | |
| **Engineering, Construction, Corp S** | | (1,724) | Non-recurring projects from 2009 partially offset by CPI growth for expenses and merit increases |
| | $ | (1,724) | |
| **Nuclear** | $ | 8,000 | Inflation at 2% |
| | | 8,700 | Regular Payroll (headcount increase; additional operations pipeline and Fatigue Rule impact) |
| | | (14,500) | Non-recurring discretionary projects (2009 budget only) |
| | | 5,000 | NRC Fees |
| | | 6,100 | Outage Reserves (future years' scope driven) |
| | | 6,000 | PSL Spent Fuel Storage Loading Campaigns (not budgeted in 2009 - only occurs as necessary) |
| | | 4,800 | PSL-PTN-ENG Station Projects |
| | | 3,700 | Other |
| | $ | 27,924 | |

**Non-Fuel O&M Expenses
(Base O&M)
2009 - 2010**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **Accounting, Financial & Other** | $ | (12,200) | Pension & Welfare Credit - Increased credit driven by an increase in capitalized payroll expenses ($1,892) and PWTI rate ($10,338) vs. 2009. 2009 PWTI rate was 7.62% and 2010 was 10.71% |
| | | (4,093) | Affiliate Management Fee - Driven by an increase in cost pool expenses and an increase in the Massachusetts Formula allocation rate |
| | | (2,603) | St. Lucie Participation Credit - 2009 credit lower due to differences in the outage schedules |
| | | 1,010 | Payroll Accrual - Driven by increase in budgeted payroll dollars |
| | | 9,000 | DOE Settlement - credit budgeted in 2009 |
| | | (1,317) | Other |
| | $ | (10,203) | |
| **Human Resources** | $ | 12,400 | The increase is driven by greater medical services costs, as well as projected increases in the enrolled population. |
| | | 19,937 | FAS 87: The year over year forecasted increase results from the amortization of the significant negative investment returns from 2008 which will continue to impact the FAS 87 evaluation until 2014. The forecast assumes the actual return in 2010 will equal the Plan's long term assumption of 7.75%. |
| | | 4,600 | 401K: The two primary drivers of the increase include: changes in population (both number participating and level of contributions) and changes to employee base pay. In addition, there is also a projected $2 million dollar increase in 2010 for the planned implementation of auto-enroll features. |
| | | 2,400 | Long Term Incentive Programs: The 2010 budget includes continued amortization of prior year grants over the vesting periods and amortization of grants planned for 2010 for retention and competitive pay practice purposes. |
| | | 2,685 | Other: Main drivers include an increase in Dental (mainly driven by an 8% trend), an increase to the Corporate Incentive Program (based on expected company performance and employee headcount), and an increase of programs in Other Benefits. |
| | $ | 42,021 | |
| **Information Management** | $ | 6,358 | Increase mainly attributed to cost associated with the Customer Information System II replacement project. The current system is old, highly customized/complex and inflexible, to the point that we are spending more on support than new enhancements. |
| | | 4,047 | Increase represents the costs required during the second year of the project to relocate the Juno Beach Data Center to new out-of-state Data Center Site. The objective is to achieve greater geographic diversity for our secondary data center and drastically reduce the impact to business operation during a storm event. |
| | | (148) | Other. |
| | $ | 10,257 | |
| **Financial Business Unit** | | 2,497 | Projected increases of $1.9 for non-executive new positions, merit, relocation, recruiting, and annual bonuses and $0.6 mil for greater executive payroll, merit, and annual incentive bonus. |
| | | 1,164 | Greater audit, bank, and professional fees. |
| | | 1,230 | Greater liability coverage for FPL's liability exposure related to a nuclear energy hazard, third party liability, and directors and officers insurance, due to an expected increase in capacity, market conditions, and nature of the company's business and loss history, $1.0. Greater non-nuclear property insurance, $0.4 mil, partially offset by lower storm related site loss experience penalty, $(0.2). |
| | | 924 | Projected increase in executive stock based compensation awards mainly driven by retentions and inflation, and projected increase in the executive deferred compensation balance driven by stock market growth projections, largely offset by increase in Executive portion of the Affiliate Management fee due to the change in the Massachusetts formula rate from 32.36% to 34.24%, as well as due to additional services needed to support the affiliate growth at FPLE. |
| | | 741 | Other |
| | $ | 6,556 | |
| **Regulatory Affairs** | $ | (2,721) | Rate Case expenses no longer incurred |
| | | 500 | FERC Regulatory Commission expenses |
| | | 318 | Employee Compensation: pay rate increase and incentive increase |
| | | 65 | Net other minor items |
| | $ | (1,838) | |
| **Other** | $ | 2,272 | Less than 2.0% of increase, not material |
| **2010 Corporate Total** | $ | 1,552,796 | |
| **Total Variance 2009 vs. 2010** | $ | 118,358 | |

**Non-Fuel O&M Expenses**
**(Revenue Enhancement)**
**2009 - 2010**

| Unit | | ($000) | Major Factor Increase / (Decrease) |
|---|---|---|---|
| **2009 Corporate Total** | **$** | **27,729** | |
| **Customer Service** | | 1,567 | This increase in O&M is due to the planned growth in the Performance Contracting business. Performance Contracting is planning to increase sales revenue by 6% in 2010 vs. 2009. The projected increase in O&M is to support the planned growth. |
| | | 218 | This increase in O&M is due primarily to the administrative expense related to supporting the business growth. |
| | **$** | **1,785** | |
| **2010 Corporate Total** | **$** | **29,514** | |
| **Total Variance 2009 vs. 2010** | **$** | **1,785** | |

**EXHIBIT___(LK-10)**

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Tenth Set of Interrogatories**
**Interrogatory No. 297**
**Page 1 of 1**

Q.
Regarding Schedule C-35 for the 2010 test year. Of the data that appear in this schedule, please identify which amounts are capital and which are expenses for each year provided and separately identify the amounts that should be included in base rates and the Company's various riders for each year.

A.
**MFR C-35 line 3 – Gross Payroll -** See Attachment No. 1 for the requested breakdown of amounts that appear on MFR C-35 line 3. The source of the amounts provided on MFR C-35 line 3 for 2006 through 2008 is the FERC Form 1, which provides an accounting view of costs classified as payroll. The source of the amounts provided on MFR C-35 line 3 for 2009 and 2010 is the FPL corporate budget system, which provides a management view of payroll. For comparability across years, the response to this interrogatory is from the FPL corporate budget system for 2006 through 2010.

**MFR C-35 Fringe Benefits** -- See Attachment No. 2.

**FPL Utility**
**Gross Payroll**

| | O&M Expenses | | Capital | | Other | Total |
|---|---|---|---|---|---|---|
| Year | Base Recoverable | Clause Recoverable | Base Recoverable | Clause Recoverable | | |
| 2006 | $ 637,917,353 | $ 19,269,821 | $ 188,940,360 | $ 1,178,469 | $ 9,496,054 | $ 856,802,058 |
| 2007 | 686,309,937 | 21,691,062 | 210,673,988 | 879,986 | 12,160,124 | 931,715,097 |
| 2008 | 714,860,295 | 22,416,627 | 216,755,824 | 1,250,731 | 13,685,927 | 968,969,403 |
| 2009 | 722,471,814 | 27,748,103 | 243,763,197 | 3,956,611 | 9,274,829 | 1,007,214,554 |
| 2010 | 765,261,494 | 27,867,388 | 254,621,125 | 5,269,533 | 9,630,794 | 1,062,650,334 |

**SFHHA's 10th Set of Interrogatories – Question 297**
**MFR C-35 2006–2010 Benefits Expenses ($000) Categorized by Expense vs. Capital**

| | 2010 | | | 2009 | | | 2008 | | | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Benefit Line Items (C-35) | O&M | Capital | Total | O&M | Capital | Total | O&M | Capital | Total | O&M | Capital | Total | O&M | Capital | Total |
| *Life Insurance* | 1,058 | 373 | 1,431 | 1,012 | 327 | 1,339 | 1,040 | 285 | 1,325 | 781 | 339 | 1,120 | 710 | 753 | 1,463 |
| Medical Insurance | 69,572 | 25,965 | 95,537 | 61,785 | 21,158 | 82,943 | 59,812 | 17,773 | 77,585 | 54,131 | 17,174 | 71,305 | 52,507 | 14,343 | 66,850 |
| Pension Plan (FAS 87) | -38,982 | -16,737 | -55,719 | -55,487 | -20,169 | -75,656 | -66,932 | -18,932 | -85,864 | -60,168 | -17,026 | -77,194 | -64,332 | -14,408 | -78,740 |
| Employee Savings Plan | 23,802 | 8,900 | 32,702 | 20,884 | 7,218 | 28,102 | 22,052 | 6,108 | 28,160 | 20,249 | 6,414 | 26,663 | 20,152 | 5,577 | 25,729 |
| *Federal Insurance Contributions Act (FICA)* | 52,578 | 18,831 | 71,409 | 51,539 | 16,727 | 68,266 | 50,883 | 13,620 | 64,503 | 48,200 | 13,272 | 61,472 | 45,843 | 11,866 | 57,709 |
| Federal & State Unemployment Taxes | 937 | 340 | 1,277 | 918 | 302 | 1,220 | 832 | 251 | 1,083 | 2,143 | 634 | 2,776 | 2,266 | 592 | 2,858 |
| Workers' Compensation | 6,393 | 2,386 | 8,779 | 6,259 | 2,242 | 8,501 | 6,496 | 2,238 | 8,734 | 6,658 | 2,563 | 9,221 | 7,977 | 2,031 | 10,008 |
| Educational Assistance | 1,193 | 459 | 1,652 | 898 | 302 | 1,200 | 641 | 183 | 824 | 558 | 225 | 783 | 533 | 232 | 765 |
| Employee Welfare | 2,893 | 1,882 | 4,775 | 2,055 | 1,424 | 3,479 | 2,070 | 1,627 | 3,697 | 7,415 | 1,323 | 8,738 | 5,730 | 2,192 | 7,922 |
| Post Retirement Benefits (FAS 106) | 16,428 | 6,172 | 22,600 | 16,513 | 5,709 | 22,222 | 18,338 | 5,191 | 23,529 | 19,338 | 5,531 | 24,869 | 22,310 | 5,917 | 28,227 |
| Post Employment Disability Benefit (FAS 112) | 5,294 | 1,981 | 7,275 | 5,215 | 1,786 | 7,000 | 2,484 | 1,547 | 4,031 | 8,824 | 1,213 | 10,036 | 4,164 | 1,562 | 5,726 |
| Dental Insurance | 4,649 | 1,751 | 6,400 | 4,092 | 1,408 | 5,500 | 4,114 | 1,201 | 5,315 | 3,785 | 1,202 | 4,986 | 3,653 | 1,151 | 4,804 |
| Nuclear Child Development Center | 237 | 0 | 237 | 251 | 0 | 251 | 217 | 0 | 217 | 216 | 0 | 216 | 128 | 0 | 128 |
| TOTAL Fringe Benefits | | | 198,355 | | | 154,367 | | | 133,139 | | | 144,991 | | | 133,449 |

EXHIBIT___(LK-11)

# FLORIDA POWER AND LIGHT
## SFHHA ADJUSTMENTS TO REFLECT PRODUCTIVITY GAINS
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

Source: Response to SFHHA Interrogatory No. 297 and Burea of Labor Statistics website

Assumed 2.0% Annual Productivity Factor Based on Historical Data Presented Below

| | O&M Amount | Productivity Factor | Productivity Reduction |
|---|---|---|---|
| O&M Base Recovery Payroll 2010 | 765.261 | 0.0404 | (30.917) |
| O&M Payroll Tax 2010 - Sch.C-20 | 49.384 | 0.0404 | (1.995) |
| O&M Base Recovery Fr. Benefits | 89.286 | 0.0404 | (3.607) |
| Total Productivity Reduction | | | (36.519) |

BLS Productivity Statistics

**Series Id:** PRS85006093
**Duration:** index, 1992 = 100
**Measure:** Output Per Hour
**Sector:** Nonfarm Business

| Year | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Annual | % Increase |
|---|---|---|---|---|---|---|
| 1998 | 108.356 | 108.675 | 109.902 | 110.476 | 109.358 | |
| 1999 | 111.455 | 111.704 | 112.487 | 114.415 | 112.521 | 2.9% |
| 2000 | 113.914 | 115.938 | 115.713 | 116.824 | 115.687 | 2.8% |
| 2001 | 116.689 | 118.288 | 118.826 | 120.574 | 118.577 | 2.5% |
| 2002 | 122.685 | 122.88 | 124.208 | 124.098 | 123.468 | 4.1% |
| 2003 | 125.197 | 126.903 | 130.064 | 129.963 | 128.034 | 3.7% |
| 2004 | 130.225 | 131.73 | 132.242 | 132.245 | 131.614 | 2.8% |
| 2005 | 133.167 | 133.394 | 134.687 | 134.195 | 133.862 | 1.7% |
| 2006 | 134.832 | 135.642 | 135.086 | 134.938 | 135.123 | 0.9% |
| 2007 | 134.731 | 136.326 | 138.665 | 138.482 | 137.049 | 1.4% |
| 2008 | 139.385 | 140.98 | 141.732 | 141.533 | 140.897 | 2.8% |
| 2009 | 142.079 | | | | | |
| 5 Year Simple Average | | | | | | 1.9% |
| 10 Year Simple Average | | | | | | 2.6% |
| Most Recent Annualized 1st Qtr | | | | | | 1.9% |

# FLORIDA POWER AND LIGHT
## SFHHA ADJUSTMENTS TO REFLECT PRODUCTIVITY GAINS
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

Computation of Fringe Benefits
SFHHA Interrogatory No. 297

| | 2010 Fringe O&M Reflected on #297 | 2010 Fringe O&M Without PR Taxes |
|---|---|---|
| Life Insurance | 1.058 | 1.058 |
| Medical Insurance | 69.572 | 69.572 |
| Pension Plan | -38.982 | -38.982 |
| Employee Savings Plan | 23.802 | 23.802 |
| FICA - SB P/R Tax | 52.578 | |
| Fed & St Unemployment - SB P/R Tax | 0.937 | |
| Worker's Comp | 6.393 | 6.393 |
| Educational Assist | 1.193 | 1.193 |
| Employee Welfare | 2.893 | 2.893 |
| OPEB (SFAS 106) | 16.428 | 16.428 |
| Post Emp Disability Benefit | 5.294 | 5.294 |
| Dental Insurance | 4.649 | 4.649 |
| Nuclear Child Development Center | 0.237 | 0.237 |
| Total | 146.052 | 92.537 |
| Base Recovery Amount | | 89.286 |

| O&M Payroll | | |
|---|---|---|
| Base Recovery Gross PR per No. 297 | 765.261494 | 96.5% |
| Clause Recovery Gross PR per No. 297 | 27.867388 | 3.5% |
| Total O&M Payroll | 793.128882 | 100.0% |

EXHIBIT___(LK-12)

**Q.**
**Regarding Testimony of FPL Witness J. A. Stall**

Regarding page 39:1-9 and Exhibit JAS-10. Please provide a detailed explanation of the reasons for the increase in annual O&M expenditures for St. Lucy and Turkey Point in the 2010 and 2011 plans as compared to 2008 actual expenditures.

**A.**
FPL's increase in annual O&M expenditures for 2010 and 2011, compared to 2008 actual expenditures, is approximately $43.5 million and $59.0 million, respectively. The major drivers of the variance are categorized as follows:

2010:

Nuclear Division Staffing: The increase is comprised of the following components: Year-to-year merit increases for Nuclear Division employees and an increase in staffing to address Operations staffing needs and Maintenance and Engineering College Program. The increase attributable to merit increases is approximately $6 million, and staffing increase is approximately $18.5 million.

NRC Licensing and Inspection Fees: The NRC has significantly increased the fees FPL must pay as a result of the nuclear units being regulated by the NRC. NRC licensing fees are charged at a per unit rate and inspection fees are charged at a per hour rate for services required. The increase is approximately $4.9 million.

Outages: Included in this variance are changes in actual costs associated with differences in the number and scope of refueling outages for St. Lucie and Turkey Point nuclear units in the two comparison years (2008 and 2010). The increase is approximately $7.9 million.

Projects: Projects are scope-driven and expenditures will vary from year to year. The net increase attributable to projects is approximately $3.8 million. See documents provided in FPL's response to SFHHA's Fifth Request for Production of Documents No. 71 for a list of projects.

Materials & Supplies: The increase is associated with costs for material and supplies to support daily maintenance activities and write-off of obsolete inventory due to equipment upgrades not related to the uprate projects. The increase is approximately $2.1 million.

2011:

Nuclear Division Staffing: The increase is comprised of the following components: Year-to-year merit increases for Nuclear Division employees and an increase in staffing to address Operations staffing needs and Maintenance and Engineering College Program. The increase attributable to merit increases is approximately $9.1 million, and staffing increase is approximately $23.3 million.

NRC Licensing and Inspection Fees: The NRC has significantly increased the fees FPL must pay as a result of the nuclear units being regulated by the NRC. NRC licensing fees are charged at a per unit rate and inspection fees are charged at a per hour rate for services required. The increase is approximately $7.2 million.

Outages: Included in this variance are changes in actual costs associated with differences in the number and scope of refueling outages for St. Lucie and Turkey Point nuclear units in the two comparison years (2008 and 2011). The increase is approximately $15.1 million.

Materials & Supplies: The increase is associated with costs for material and supplies to support daily maintenance activities and write-off of obsolete inventory due to equipment upgrades not related to the uprate projects. The increase is approximately $2.6 million.

EXHIBIT___(LK-13)

**Q.**

Please provide a monthly history of nuclear production full time equivalent employees by department and in total for this function from January 2006 through December 2011 and provide an explanation for any year to year change (December to December) exceeding 2% in total for this function. For 2009, the Company should provide this information on a budgeted basis and on an actual basis for those months with actual data.

**A.**

See Attachment No. 1.

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**Rate Case Interrogatory #291**
**Year over Year Increase**

| | Full Time Regular Employees | % Increase |
|---|---|---|
| 2006 Actual | 1,689.5 | |
| 2007 Actual | 1,768.5 | 4.7% |
| 2008 Actual | 1,888.5 | 6.8% |
| 2009 Actual & Budget | 2,011.5 | 6.5% |
| 2010 Budget | 2,071.0 | 3.0% |
| 2011 Budget | 2,115.8 | 2.2% |

**Changes from 2006-2007:**
FPL added staff to anticipate and ultimately compensate for attrition and retirements.
As part of the FPL Professional Training Pipeline, FPL had formed partnerships with both the Indian River State College and the Miami Dade Community College to train the next generation of workers, and has committed to accepting a fixed number into the Apprenticeship Program each year. Employee increases during 2007 resulted from this program, plus dedicated air conditioning maintenance employees (displacing contractors), as well as authorized increases in Nuclear Engineering to align with the standard fleet organization model based on the size of each station.

**Changes from 2007-2008:**
The majority of employee increases during 2008 were driven by the "pipeline". FPL increased the number of plant workers to allow for a smooth transition as experienced workers retire, while also preparing for anticipated industry growth over the next 10 years. Many of those hired were for licensed operator classes where employees are trained for extensive time frames prior to becoming productive. Other drivers included Capacity Clause security positions and project bound employees for a new major capital project (Extended Power Uprate) (payroll dollars for Capacity Clause and Extended Power Uprate are included in their respective Docket filings).

**Changes from 2008-2009:**
The main drivers for each of the projected years is the Apprenticeship Program and operations training pipeline. During 2009 only FPL also expects to hire additional project bound positions to support the new major capital project referenced for 2008, which is expected to last into 2013.

**Changes from 2009-2010:**
The main drivers for each of the projected years is the Apprenticeship Program and operations training pipeline.

**Changes from 2010-2011:**
The main drivers for each of the projected years is the Apprenticeship Program

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| BRC Description | Ledger Date | Emp.Type | Emp.Status | Actual |
|---|---|---|---|---|
| R01044 - ENGINEERING SUPP SVC | 200601 | Exempt Regular | Bi-weekly Fixed | 53 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200602 | Exempt Regular | Bi-weekly Fixed | 53 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 52 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 48 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 48 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 48 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200607 | Bargaining | Bi-weekly Fixed | 4 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 49 |
| | 200607 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 49 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 49 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 49 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 50 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 51 |
| | 200612 | Non-Exempt | Bi-weekly Fixed | 3 |
| R01905 - ST LUCIE PLANT | 200601 | Bargaining | Bi-weekly Fixed | 252 |
| | 200601 | Exempt Regular | Bi-weekly Fixed | 340 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 46 |
| | 200602 | Bargaining | Bi-weekly Fixed | 254 |
| | 200602 | Exempt Regular | Bi-weekly Fixed | 341 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 45 |
| | 200603 | Bargaining | Bi-weekly Fixed | 257 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 340 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 45 |
| | 200604 | Bargaining | Bi-weekly Fixed | 257 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 345 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 45 |
| | 200605 | Bargaining | Bi-weekly Fixed | 264 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 350 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 46 |
| | 200606 | Bargaining | Bi-weekly Fixed | 266 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 350 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 45 |
| | 200607 | Bargaining | Bi-weekly Fixed | 263 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 358 |

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| BRC Description | Ledger Date | Emp.Type | Emp.Status | Actual |
|---|---|---|---|---|
| | 200607 | Non-Exempt | Bi-weekly Fixed | 46 |
| | 200608 | Bargaining | Bi-weekly Fixed | 265 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 363 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 45 |
| | 200609 | Bargaining | Bi-weekly Fixed | 264 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 363 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 44 |
| | 200610 | Bargaining | Bi-weekly Fixed | 262 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 372 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 45.5 |
| | 200611 | Bargaining | Bi-weekly Fixed | 264 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 374.5 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 44.5 |
| | 200612 | Bargaining | Bi-weekly Fixed | 264 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 372.5 |
| | 200612 | Non-Exempt | Bi-weekly Fixed | 45.5 |
| R01908 - PTN STATION | 200601 | Bargaining | Bi-weekly Fixed | 272 |
| | 200601 | Bargaining | Daily Variable | 0 |
| | 200601 | Exempt Regular | Bi-weekly Fixed | 354.5 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 50 |
| | 200602 | Bargaining | Bi-weekly Fixed | 283 |
| | 200602 | Bargaining | Daily Variable | 0 |
| | 200602 | Exempt Regular | Bi-weekly Fixed | 354.5 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 49 |
| | 200603 | Bargaining | Bi-weekly Fixed | 294 |
| | 200603 | Bargaining | Daily Variable | 0 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 355.5 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 49 |
| | 200604 | Bargaining | Bi-weekly Fixed | 303 |
| | 200604 | Bargaining | Daily Variable | 0 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 356.5 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 49 |
| | 200605 | Bargaining | Bi-weekly Fixed | 301 |
| | 200605 | Bargaining | Daily Variable | 0 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 357.5 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 48 |
| | 200606 | Bargaining | Bi-weekly Fixed | 310 |
| | 200606 | Bargaining | Daily Variable | 0 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 355.5 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 48 |
| | 200607 | Bargaining | Bi-weekly Fixed | 312 |
| | 200607 | Bargaining | Daily Variable | 0 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 357.5 |
| | 200607 | Non-Exempt | Bi-weekly Fixed | 47 |
| | 200608 | Bargaining | Bi-weekly Fixed | 313 |

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| BRC Description | Ledger Date | Emp.Type | Emp.Status | Actual |
|---|---|---|---|---|
| | 200608 | Bargaining | Daily Variable | 0 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 348.5 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 48 |
| | 200609 | Bargaining | Bi-weekly Fixed | 313 |
| | 200609 | Bargaining | Daily Variable | 0 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 361.5 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 47 |
| | 200610 | Bargaining | Bi-weekly Fixed | 309 |
| | 200610 | Bargaining | Daily Variable | 0 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 360.5 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 50 |
| | 200611 | Bargaining | Bi-weekly Fixed | 305 |
| | 200611 | Bargaining | Daily Variable | 0 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 358.5 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 53 |
| | 200612 | Bargaining | Bi-weekly Fixed | 300 |
| | 200612 | Bargaining | Daily Variable | 0 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 360.5 |
| | 200612 | Non-Exempt | Bi-weekly Fixed | 50 |
| R31600 - NUCLEAR OPERNS SUPPT | 200601 | Exempt Regular | Bi-weekly Fixed | 20 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200602 | Exempt Regular | Bi-weekly Fixed | 20 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 19 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 18 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 17 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 16 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 17 |
| | 200607 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 16 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 17 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 18 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 18 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 1 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 18 |
| | 200612 | Non-Exempt | Bi-weekly Fixed | 2 |
| R64525 - VP TECH SERVICES | 200601 | Exempt Regular | Bi-weekly Fixed | 100 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 10 |

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| BRC Description | Ledger Date | Emp.Type | Emp.Status | Actual |
|---|---|---|---|---|
| | 200602 | Exempt Regular | Bi-weekly Fixed | 99 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 10 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 104 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 10 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 10 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 10 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 105 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 10 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200607 | Non-Exempt | Bi-weekly Fixed | 9 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 107 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 9 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 8 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 8 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 106 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 8 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 104 |
| | 200612 | Non-Exempt | Bi-weekly Fixed | 8 |
| R64725 - VP PLANT SUPPORT | 200601 | Exempt Regular | Bi-weekly Fixed | 27 |
| | 200601 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200602 | Exempt Regular | Bi-weekly Fixed | 27 |
| | 200602 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200603 | Exempt Regular | Bi-weekly Fixed | 27 |
| | 200603 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200604 | Exempt Regular | Bi-weekly Fixed | 26 |
| | 200604 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200605 | Exempt Regular | Bi-weekly Fixed | 27 |
| | 200605 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200606 | Exempt Regular | Bi-weekly Fixed | 30 |
| | 200606 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200607 | Exempt Regular | Bi-weekly Fixed | 28 |
| | 200607 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200608 | Exempt Regular | Bi-weekly Fixed | 29 |
| | 200608 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200609 | Exempt Regular | Bi-weekly Fixed | 28 |
| | 200609 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200610 | Exempt Regular | Bi-weekly Fixed | 29 |
| | 200610 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200611 | Exempt Regular | Bi-weekly Fixed | 29 |
| | 200611 | Non-Exempt | Bi-weekly Fixed | 3 |
| | 200612 | Exempt Regular | Bi-weekly Fixed | 28 |

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| BRC Description | | Ledger Date | Emp.Type | Emp.Status | Actual |
|---|---|---|---|---|---|
| | | 200612 | Non-Exempt | Bi-weekly Fixed | 3 |
| R65200 - VP SAFETY ASSURANCE | | 200601 | Exempt Regular | Bi-weekly Fixed | 69 |
| | | 200601 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200602 | Exempt Regular | Bi-weekly Fixed | 70 |
| | | 200602 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200603 | Exempt Regular | Bi-weekly Fixed | 72 |
| | | 200603 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200604 | Exempt Regular | Bi-weekly Fixed | 72 |
| | | 200604 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200605 | Exempt Regular | Bi-weekly Fixed | 71 |
| | | 200605 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200606 | Exempt Regular | Bi-weekly Fixed | 72 |
| | | 200606 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200607 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200607 | Exempt Regular | Bi-weekly Fixed | 70 |
| | | 200607 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200608 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200608 | Exempt Regular | Bi-weekly Fixed | 70 |
| | | 200608 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200609 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200609 | Exempt Regular | Bi-weekly Fixed | 71 |
| | | 200609 | Non-Exempt | Bi-weekly Fixed | 6 |
| | | 200610 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200610 | Exempt Regular | Bi-weekly Fixed | 71 |
| | | 200610 | Non-Exempt | Bi-weekly Fixed | 5 |
| | | 200611 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200611 | Exempt Regular | Bi-weekly Fixed | 72 |
| | | 200611 | Non-Exempt | Bi-weekly Fixed | 5 |
| | | 200612 | Exempt Executive | Bi-weekly Fixed | 1 |
| | | 200612 | Exempt Regular | Bi-weekly Fixed | 73 |
| | 1689.5 | 200612 | Non-Exempt | Bi-weekly Fixed | 6 |

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# Manpower Trend Report

| | |
|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | EAC\Fiscal year/period | 001/2007 | 002/2007 |
|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | FEX-FPL Exempt Employees | 51.0 | 53.0 |
| | | FNX-FPL Non-Exempt Employees | 3.0 | 3.0 |
| | | Result | 54.0 | 56.0 |
| | ▷ R01905 ST. LUCIE PLANT | FBF-FPL Bargaining Unit - Fixed Employees | 270.0 | 268.0 |
| | | FBV-FPL Bargaining Unit - Variable Employees | | |
| | | FEX-FPL Exempt Employees | 373.0 | 372.0 |
| | | FNX-FPL Non-Exempt Employees | 46.5 | 46.5 |
| | | Result | 689.5 | 686.5 |
| | ▷ R01908 PTN STATION | FBF-FPL Bargaining Unit - Fixed Employees | 294.0 | 292.0 |
| | | FBV-FPL Bargaining Unit - Variable Employees | | |
| | | FEX-FPL Exempt Employees | 360.5 | 361.5 |
| | | FNX-FPL Non-Exempt Employees | 49.0 | 52.0 |
| | | Result | 703.5 | 705.5 |
| | ▷ | FEX-FPL Exempt Employees | 18.0 | 17.0 |
| | | FNX-FPL Non-Exempt Employees | 2.0 | 2.0 |
| | | Result | 20.0 | 19.0 |
| | ▷ R31800 ND MANAGEMENT | FEX-FPL Exempt Employees | 105.0 | 104.0 |
| | ▷ | FNX-FPL Non-Exempt Employees | 9.0 | 9.0 |
| | | Result | 114.0 | 113.0 |
| | ▷ R64725 VP PLANT SUPPORT | FEX-FPL Exempt Employees | 28.0 | 27.0 |
| | | FNX-FPL Non-Exempt Employees | 3.0 | 3.0 |
| | | Result | 31.0 | 30.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | FEX-FPL Exempt Employees | 72.0 | 73.0 |
| | | FNX-FPL Non-Exempt Employees | 6.0 | 7.0 |
| | | Result | 78.0 | 80.0 |
| | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | Result | 1,690.0 | 1,690.0 |

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# Manpower Trend Report

| | |
|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | *Calendar year, 4 spec. periods* |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | *SUSPENSE* |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | 003/2007 | 004/2007 | 005/2007 | 006/2007 | 007/2007 | 008/2007 |
|---|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 56.0 | 56.0 | 57.0 | 59.0 | 57.0 | 56.0 |
| | | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 58.0 | 59.0 | 60.0 | 62.0 | 60.0 | 59.0 |
| | ▷ R01905 ST. LUCIE PLANT | 271.0 | 273.0 | 273.0 | 278.0 | 285.0 | 284.0 |
| | | | | | | | |
| | | 371.0 | 377.0 | 377.0 | 379.0 | 383.0 | 380.0 |
| | | 46.5 | 45.5 | 44.0 | 44.0 | 44.0 | 44.0 |
| | | 688.5 | 695.5 | 694.0 | 701.0 | 712.0 | 708.0 |
| | ▷ R01908 PTN STATION | 287.0 | 271.0 | 277.0 | 284.0 | 290.0 | 289.0 |
| | | | | | | | |
| | | 360.5 | 359.5 | 365.5 | 370.5 | 371.5 | 367.5 |
| | | 53.0 | 53.0 | 51.0 | 51.0 | 52.0 | 52.0 |
| | | 700.5 | 683.5 | 693.5 | 705.5 | 713.5 | 708.5 |
| | ▷ | 17.0 | 15.0 | 15.0 | 13.0 | 14.0 | 14.0 |
| | | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 |
| | ▷ R31800 ND MANAGEMENT | 19.0 | 17.0 | 17.0 | 15.0 | 17.0 | 17.0 |
| | ▷ | 104.0 | 105.0 | 111.0 | 112.0 | 112.0 | 104.0 |
| | | 9.0 | 8.0 | 9.0 | 9.0 | 9.0 | 8.0 |
| | | 113.0 | 113.0 | 120.0 | 121.0 | 121.0 | 112.0 |
| | ▷ R64725 VP PLANT SUPPORT | 28.0 | 32.0 | 32.0 | 32.0 | 35.0 | 45.0 |
| | | 3.0 | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 |
| | | 31.0 | 36.0 | 36.0 | 36.0 | 40.0 | 50.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 73.0 | 72.0 | 72.0 | 73.0 | 74.0 | 75.0 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 8.0 |
| | | 80.0 | 79.0 | 79.0 | 80.0 | 81.0 | 83.0 |
| | | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,690.0 | 1,663.0 | 1,699.5 | 1,720.5 | 1,744.5 | 1,737.5 |



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*Florida Power & Light Company*
Docket No. 080677-EI
*SFHHA's Tenth Set of Interrogatories*
Question No. 291
Attachment No. 1
Tab 3 of 6

# Manpower Trend Report

| | |
|---|---|
| BASA | |
| EAC | |
| *Key Figures* | |
| BRC | |

| | |
|---|---|
| *Fiscal Year Variant* | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | *009/2007* | 010/2007 | 011/2007 | 012/2007 | 001/2008 | 002/2008 |
|---|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 54.0 | 55.0 | 59.0 | 59.0 | 59.0 | 59.0 |
| | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 57.0 | 58.0 | 62.0 | 62.0 | 62.0 | 62.0 |
| | ▷ R01905 *ST. LUCIE PLANT* | 289.0 | 290.0 | 290.0 | 289.0 | 285.0 | 284.0 |
| | | | | | | | |
| | | 381.0 | 380.0 | 378.0 | 377.0 | 369.0 | 368.0 |
| | | 45.0 | 45.0 | 45.0 | 45.0 | 44.0 | 43.0 |
| | | 715.0 | 715.0 | 713.0 | 711.0 | 698.0 | 695.0 |
| | ▷ R01908 PTN STATION | 294.0 | 296.0 | 292.0 | 291.0 | 290.0 | 290.0 |
| | | | | | | | |
| | | 372.5 | 372.5 | 378.5 | 379.5 | 388.5 | 387.5 |
| | | 51.0 | 51.0 | 51.0 | 52.0 | 51.0 | 51.0 |
| | | 717.5 | 719.5 | 721.5 | 722.5 | 729.5 | 728.5 |
| | ▷ | 14.0 | 15.0 | 15.0 | 16.0 | 17.0 | 17.0 |
| | | 3.0 | 2.0 | 2.0 | 3.0 | 4.0 | 4.0 |
| | ▷ R31800 ND MANAGEMENT | 17.0 | 17.0 | 17.0 | 19.0 | 21.0 | 21.0 |
| | ▷ | 104.0 | 107.0 | 107.0 | 110.0 | 110.0 | 112.0 |
| | | 8.0 | 8.0 | 8.0 | 8.0 | 7.0 | 7.0 |
| | | 112.0 | 115.0 | 115.0 | 118.0 | 117.0 | 119.0 |
| | ▷ R64725 VP PLANT SUPPORT | 45.0 | 48.0 | 48.0 | 47.0 | 47.0 | 48.0 |
| | | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | | 51.0 | 54.0 | 54.0 | 53.0 | 53.0 | 54.0 |
| | ▷ *R65200 VP SAFETY ASSURANCE* | 73.0 | 73.0 | 73.0 | 74.0 | 78.0 | 78.0 |
| | | 8.0 | 10.0 | 9.0 | 9.0 | 10.0 | 10.0 |
| | | 81.0 | 83.0 | 82.0 | 83.0 | 88.0 | 88.0 |
| | | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,750.5 | 1,761.5 | 1,764.5 | 1,768.5 | 1,768.5 | 1,767.5 |



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Question No. 291
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# Manpower Trend Report

| | |
|---|---|
| *BASA* | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| **Fiscal Year Variant** | **Calendar year, 4 spec. periods** |
| **BRC** | **NUC DIV BUS UNIT** |
| *EAC* | ***FPL EMPLOYEES*** |
| **Exp** | **SUSPENSE** |

| | |
|---|---|
| **Fiscal year/period** | |

| | BRC | 003/2008 | 004/2008 | 005/2008 | 006/2008 | 007/2008 | 008/2008 |
|---|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 59.0 | 59.0 | 60.0 | 59.0 | 51.0 | 49.0 |
| | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 62.0 | 62.0 | 63.0 | 62.0 | 54.0 | 52.0 |
| | ▷ R01905 ST. LUCIE PLANT | 282.0 | 297.0 | 309.0 | 312.0 | 316.0 | 316.0 |
| | | | | | | | |
| | | 367.0 | 365.0 | 361.0 | 362.0 | 366.0 | 367.0 |
| | | 43.0 | 39.0 | 40.0 | 41.0 | 42.0 | 43.0 |
| | | 692.0 | 701.0 | 710.0 | 715.0 | 724.0 | 728.0 |
| | ▷ R01906 PTN STATION | 298.0 | 302.0 | 307.0 | 308.0 | 305.0 | 304.0 |
| | | | | | | | |
| | | 383.5 | 387.5 | 389.5 | 385.5 | 388.5 | 392.5 |
| | | 50.0 | 50.0 | 51.0 | 50.0 | 51.0 | 49.0 |
| | | 731.5 | 739.5 | 747.5 | 743.5 | 744.5 | 745.5 |
| | ▷ | 18.0 | 19.0 | 20.0 | 21.0 | 24.0 | 25.0 |
| | | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 4.0 |
| | ▷ R31800 ND MANAGEMENT | 22.0 | 24.0 | 25.0 | 26.0 | 29.0 | 29.0 |
| | ▷ | 118.0 | 122.0 | 128.5 | 128.5 | 136.5 | 136.5 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | | 125.0 | 129.0 | 135.5 | 135.5 | 143.5 | 143.5 |
| | ▷ R64725 VP PLANT SUPPORT | 52.0 | 51.0 | 57.0 | 65.0 | 64.0 | 64.0 |
| | | 7.0 | 8.0 | 8.0 | 7.0 | 7.0 | 8.0 |
| | | 59.0 | 59.0 | 65.0 | 72.0 | 71.0 | 72.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 80.0 | 80.0 | 81.0 | 76.0 | 76.0 | 79.0 |
| | | 11.0 | 11.0 | 10.0 | 10.0 | 9.0 | 9.0 |
| | | 91.0 | 91.0 | 91.0 | 88.0 | 85.0 | 88.0 |
| | | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,782.5 | 1,805.5 | 1,837.0 | 1,840.0 | 1,851.0 | 1,858.0 |



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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291
Attachment No. 1
Tab 4 of 6

| | | |
|---|---|---|
| Version | 002 | Original Budget |
| Fiscal year | 2009 | 1/1/2009 |
| Exp | 0 | SUSPENSE |

| BRC | | EAC | | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total [illegible] | BRC | Total | EAC | Total | BASA | 1,982.5 | 1,980.[illegible] | 1,98[illegible] | 1,997.5 | 2,003.5 | 2,004.5 | 2,007.5 | 2,008.5 | 2,008.5 | 2,009.5 | 2,010.5 | 2,011.5 |
| CSI/MGMT SUPERVISON | 064514 | Total | EAC | Total | BASA | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| CSI/MGMT SUPERVISON | 064514 | FEX-FPL Exempt Employees | FEX | CSI/MGMT SUPV | 11860916748 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| CSI/MGMT SUPERVISON | 064514 | FNX-FPL Non-Exempt Employees | FNX | CSI/MGMT SUPV | 11860916748 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| CSI CHIEFS | 064515 | Total | EAC | Total | BASA | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| CSI CHIEFS | 064515 | FEX-FPL Exempt Employees | FEX | CHIEFS REGULATORY | 11860921359 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| CODES & INSPECTIONS | 064517 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| CODES & INSPECTIONS | 064517 | FEX-FPL Exempt Employees | FEX | CODES AND INSPECTION | 10964902169 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| MATERIALS & COMPONEN | 064518 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| MATERIALS & COMPONEN | 064518 | FEX-FPL Exempt Employees | FEX | MATERIALS AND COMPON | 11808916761 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| RRAG SUMMARY | 064529 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | [illegible] | [illegible] | [illegible] | 7.0 |
| RRAG SUMMARY | 064529 | FEX-FPL Exempt Employees | FEX | RRAG | 12146060000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| RRAG SUMMARY | 064529 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12146AFFLDC | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PLANT MANAGEMENT | 092900 | Total | EAC | Total | BASA | 574.0 | 574.0 | 574.0 | 574.0 | 574.0 | 574.0 | 574.0 | 574.0 | [illegible] | 574.0 | 574.0 | 574.0 |
| PLANT MANAGEMENT | 092900 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL EMPLOYEE REL | 01428000000 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 | 330.0 |
| PLANT MANAGEMENT | 092900 | FEX-FPL Exempt Employees | FEX | EQUIPMENT RELIABILIT | 00026000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| PLANT MANAGEMENT | 092900 | FEX-FPL Exempt Employees | FEX | PAYROLL EMPLOYEE REL | 01428000000 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 | 207.0 |
| PLANT MANAGEMENT | 092900 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL EMPLOYEE REL | 01428000000 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 |
| PSL ENGINEERING SUMM | 084599 | Total | EAC | Total | BASA | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 |
| PSL ENGINEERING SUMM | 084588 | FEX-FPL Exempt Employees | FEX | REQUESTS FOR ENG. AS | 11242000000 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 112.0 | 113.0 | 113.0 | 113.0 |
| PSL ENGINEERING SUMM | 084588 | FNX-FPL Non-Exempt Employees | FNX | REQUESTS FOR ENG. AS | 11242000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 | 5.0 | 5.0 | 5.0 |
| PTN ENGINEERING SUMM | 084560 | Total | EAC | Total | BASA | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 |
| PTN ENGINEERING SUMM | 084569 | FEX-FPL Exempt Employees | FEX | PTN ENGRG PAYROLL | 12358905800 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 |
| PTN ENGINEERING SUMM | 084560 | FNX-FPL Non-Exempt Employees | FNX | PTN ENGRG PAYROLL | 12358905800 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| MANAGEMENT | 091400 | Total | EAC | Total | BASA | 577.0 | 590.0 | [illegible] | 608.0 | 613.0 | 614.0 | 616.0 | 617.0 | [illegible] | 618.0 | 619.0 | 620.0 |
| MANAGEMENT | 091400 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL | 01428928029 | 317.0 | 327.0 | 338.0 | 344.0 | 350.0 | 351.0 | 353.0 | 354.0 | 354.0 | 355.0 | 356.0 | 357.0 |
| MANAGEMENT | 091400 | FEX-FPL Exempt Employees | FEX | PAYROLL | 01428928029 | 221.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 | 223.0 |
| MANAGEMENT | 091400 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL | 01428928029 | 39.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PTN RTE PEOPLE | 091457 | Total | EAC | Total | BASA | 9.5 | 9.5 | [illegible] | [illegible] | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| PTN RTE PEOPLE | 091457 | FEX-FPL Exempt Employees | FEX | ADDITIONAL PERSONNEL | 01753ADDPER | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| PTN RTE PLANT | 091459 | Total | EAC | Total | BASA | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PTN RTE PLANT | 091459 | FEX-FPL Exempt Employees | FEX | RTE STAFF | 01769RTESTF | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| BUSINESS OPERATIONS | 095100 | Total | EAC | Total | BASA | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| BUSINESS OPERATIONS | 095100 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01428923407 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| BUSINESS OPERATIONS | 095100 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCLEAR OPERATIONS | 061700 | Total | EAC | Total | BASA | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| NUCLEAR OPERATIONS | 061700 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| PTN FUELS | 086941 | Total | EAC | Total | BASA | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| PTN FUELS | 086941 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| PTN FUELS | 086941 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12132AFFLDC | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| FUEL PROJECTS | 086944 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| FUEL PROJECTS | 086944 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |



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# 2009 Budget

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
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Version 092 Original Budget
Fiscal year 2008 N42009
Exp C SUSPENSE

| BRC | | EAC | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FUEL PROJECTS | 066044 | FEX-FPL Exempt Employees | FEX AFFILIATE DIRECT CHA | 12132AFFLDC | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| JB PROJECTS BASE | 064650 | Total | EAC Total | BASA | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| JB PROJECTS BASE | 064650 | FEX-FPL Exempt Employees | FEX JUNO NON PROJECT EXP | 01478JUNONP | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 |
| JB PROJECTS BASE | 064650 | FNX-FPL Non-Exempt Employees | FNX JUNO NON PROJECT EXP | 01478JUNONP | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| PSL PROJECTS BASE | 064651 | Total | EAC Total | BASA | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PSL PROJECTS BASE | 064651 | FEX-FPL Exempt Employees | FEX PSL PROJECT NON PROJ | 01478PSLNPE | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PTN PROJECTS BASE | 064652 | Total | EAC Total | BASA | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PTN PROJECTS BASE | 064652 | FEX-FPL Exempt Employees | FEX PTN NON PROJECT EXPE | 01478PTNNPE | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PROJECTS ENGINE BASE | 066602 | Total | EAC Total | BASA | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PROJECTS ENGINE BASE | 066602 | FEX-FPL Exempt Employees | FEX MAJOR PROJ ENG GRP - | 12345MPEGRP | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| EPU PROJECT | 064730 | Total | EAC Total | BASA | 50.5 | 50.5 | 50.5 | 50.5 | 50.5 | 50.5 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 |
| EPU PROJECT | 064730 | FEX-FPL Exempt Employees | FEX PAYROLL EMPLOYEE REL | 01420000000 | 50.5 | 50.5 | 50.5 | 50.5 | 50.5 | 50.5 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 |
| VP PLANT SUPPORT | 064725 | Total | EAC Total | BASA | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 | 79.0 |
| VP PLANT SUPPORT | 064725 | FEX-FPL Exempt Employees | FEX ST PAYROLL AND OTHER | 01429923407 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 |
| VP PLANT SUPPORT | 064725 | FEX-FPL Exempt Employees | FEX CAPACITY SECURITY PA | 01514926909 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| VP PLANT SUPPORT | 064725 | FNX-FPL Non-Exempt Employees | FNX ST PAYROLL AND OTHER | 01429923407 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| VP PLANT SUPPORT | 064725 | FNX-FPL Non-Exempt Employees | FNX CAPACITY SECURITY PA | 01514926909 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAGEMENT | 064345 | Total | EAC Total | BASA | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX OFFICE FURNITURE, FI | 00691000000 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX SYSTEMS AND AUDITS - | 10136000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX JOA/JB MANAGEMENT AN | 10140000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX VENDOR ACTIVITIES - | 10822000000 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| JOA/JB MANAGEMENT | 064345 | FNX-FPL Non-Exempt Employees | FNX SYSTEMS AND AUDITS - | 10136000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| JOA/JB MANAGEMENT | 064345 | FNX-FPL Non-Exempt Employees | FNX VENDOR ACTIVITIES - | 10822000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCL ASSURANCE-CNRB | 069554 | Total | EAC Total | BASA | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCL ASSURANCE-CNRB | 069554 | FEX-FPL Exempt Employees | FEX COMPANY NUCLEAR REVI | 10137000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PSL-NUC ASSURANCE | 067600 | Total | EAC Total | BASA | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| PSL-NUC ASSURANCE | 067600 | FEX-FPL Exempt Employees | FEX JOA/PSL MANAGEMENT A | 10524000000 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PSL-NUC ASSURANCE | 067600 | FNX-FPL Non-Exempt Employees | FNX JOA/PSL MANAGEMENT A | 10524000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| PTN-NUC ASSURANCE | 069400 | Total | EAC Total | BASA | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PTN-NUC ASSURANCE | 069400 | FEX-FPL Exempt Employees | FEX QUALITY SUPPORT-JNA/ | 11507000000 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 |
| PTN-NUC ASSURANCE | 069400 | FNX-FPL Non-Exempt Employees | FNX QUALITY SUPPORT-JNA/ | 11507000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURANCE CNRB | 069556 | Total | EAC Total | BASA | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| NUCLR ASSURANCE CNRB | 069555 | FEX-FPL Exempt Employees | FEX EMPLOYEE CONCERNS PR | 01672000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURANCE CNRB | 069558 | FEX-FPL Exempt Employees | FEX EMPLOYEE CONCERNS PR | 01673000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCLR ASSURANCE CNRB | 069553 | FEX-FPL Exempt Employees | FEX EMPLOYEE CONCERNS PR | 01674000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| SAFETY ASSURE MGT | 066225 | Total | EAC Total | BASA | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 | 156.0 |
| SAFETY ASSURE MGT | 066225 | FEX-FPL Exempt Employees | FEX ST PAYROLL AND OTHER | 01429923407 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 | 145.0 |
| SAFETY ASSURE MGT | 066225 | FNX-FPL Non-Exempt Employees | FNX ST PAYROLL AND OTHER | 01429923407 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |



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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291
Attachment No. 1
Tab 5 of 6

| | | |
|---|---|---|
| Version | 0?2 | Original Budget |
| Fiscal year | 2010 | K4/2010 |
| Exe | 0 | SUSPENSE |

| BRC | | EAC | | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | BRC | Total | EAC | Total | BASA | 2,032.0 | 2,043.0 | 2,053.0 | 2,0[illegible] | 2,058.0 | 2,060.0 | 2,062.0 | 2,065.0 | 2,066.0 | 2,068.0 | 2,071.0 | 2,072.0 |
| CSI/MGMT SUPERVISON | 064514 | Total | EAC | Total | BASA | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| CSI/MGMT SUPERVISON | 064514 | FEX-FPL Exempt Employees | FEX | CSI/MGMT SUPV | 11650916745 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| CSI/MGMT SUPERVISON | 064514 | FNX-FPL Non-Exempt Employees | FNX | CSI/MGMT SUPV | 11650916745 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| CSI CHIEFS | 064516 | Total | EAC | Total | BASA | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| CSI CHIEFS | 064516 | FEX-FPL Exempt Employees | FEX | CHIEFS REGULATORY | 11650921339 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| CODES & INSPECTIONS | 064517 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| CODES & INSPECTIONS | 064517 | FEX-FPL Exempt Employees | FEX | CODES AND INSPECTION | 10984902169 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| MATERIALS & COMPONEN | 064518 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| MATERIALS & COMPONEN | 064518 | FEX-FPL Exempt Employees | FEX | MATERIALS AND COMPON | 11898916791 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| RRAG SUMMARY | 064529 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| RRAG SUMMARY | 064529 | FEX-FPL Exempt Employees | FEX | RRAG | 12146000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| RRAG SUMMARY | 064529 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12146AFFLDC | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PLANT MANAGEMENT | 092900 | Total | EAC | Total | BASA | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 | 587.0 |
| PLANT MANAGEMENT | 092900 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL EMPLOYEE REL | 01428000000 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 | 337.0 |
| PLANT MANAGEMENT | 092900 | FEX-FPL Exempt Employees | FEX | PAYROLL EMPLOYEE REL | 01428000000 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 | 214.0 |
| PLANT MANAGEMENT | 092900 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL EMPLOYEE REL | 01428000000 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 |
| PSL ENGINEERING SUMM | 064569 | Total | EAC | Total | BASA | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 |
| PSL ENGINEERING SUMM | 064569 | FEX-FPL Exempt Employees | FEX | REQUESTS FOR ENG. AS | 11242000000 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 |
| PSL ENGINEERING SUMM | 064569 | FNX-FPL Non-Exempt Employees | FNX | REQUESTS FOR ENG. AS | 11242000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| PTN ENGINEERING SUMM | 064600 | Total | EAC | Total | BASA | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 |
| PTN ENGINEERING SUMM | 064600 | FEX-FPL Exempt Employees | FEX | PTN ENGRG PAYROLL | 12350005800 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 |
| PTN ENGINEERING SUMM | 064600 | FNX-FPL Non-Exempt Employees | FNX | PTN ENGRG PAYROLL | 12350005800 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| MANAGEMENT | 091400 | Total | EAC | Total | BASA | 623.0 | 634.0 | 644.0 | 647.0 | 649.0 | 651.0 | 653.0 | 656.0 | 657.0 | 659.0 | 662.0 | 662.0 |
| MANAGEMENT | 091400 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL | 01428928026 | 360.0 | 368.0 | 374.0 | 376.0 | 377.0 | 379.0 | 380.0 | 382.0 | 383.0 | 385.0 | 387.0 | 387.0 |
| MANAGEMENT | 091400 | FEX-FPL Exempt Employees | FEX | PAYROLL | 01428928026 | 223.0 | 226.0 | 230.0 | 231.0 | 232.0 | 232.0 | 233.0 | 234.0 | 234.0 | 234.0 | 235.0 | 235.0 |
| MANAGEMENT | 091400 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL | 01428928026 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PTN RTE PEOPLE | 091407 | Total | EAC | Total | BASA | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| PTN RTE PEOPLE | 091407 | FEX-FPL Exempt Employees | FEX | ADDITIONAL PERSONNEL | 01753ADDPER | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| BUSINESS OPERATIONS | 095100 | Total | EAC | Total | BASA | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| BUSINESS OPERATIONS | 095100 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01428923407 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| BUSINESS OPERATIONS | 095100 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCLEAR OPERATIONS | 061700 | Total | EAC | Total | BASA | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLEAR OPERATIONS | 061700 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| PTN FUELS | 066941 | Total | EAC | Total | BASA | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| PTN FUELS | 066941 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| PTN FUELS | 066941 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12132AFFLDC | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| FUEL PROJECTS | 066944 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| FUEL PROJECTS | 066944 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| FUEL PROJECTS | 066944 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12132AFFLDC | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| JB PROJECTS BASE | 064650 | Total | EAC | Total | BASA | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| JB PROJECTS BASE | 064650 | FEX-FPL Exempt Employees | FEX | JUNO NON PROJECT EXP | 01478JUNONP | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 |
| JB PROJECTS BASE | 064650 | FNX-FPL Non-Exempt Employees | FNX | JUNO NON PROJECT EXP | 01478JUNONP | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| PSL PROJECTS BASE | 064651 | Total | EAC | Total | BASA | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PSL PROJECTS BASE | 064651 | FEX-FPL Exempt Employees | FEX | PSL PROJECT NON PROJ | 01478PSLNPE | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PTN PROJECTS BASE | 064652 | Total | EAC | Total | BASA | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PTN PROJECTS BASE | 064652 | FEX-FPL Exempt Employees | FEX | PTN NON PROJECT EXPE | 01478PTNNPE | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |



Docket No. 080677-EI
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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291
Attachment No. 1
Tab 5 of 6

| | | |
|---|---|---|
| Version | 002 | Original Budget |
| Fiscal year | 2010 | K4?2010 |
| Exp | 0 | SUBPERIOD |

| BRC | | EAC | | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECTS ENGINE BASE | 058602 | Total | EAC | Total | BASA | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PROJECTS ENGINE BASE | 058602 | FEX-FPL Exempt Employees | FEX | MAJOR PROJ ENG GRP - | 1234SMPEGRP | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| EPU PROJECT | 056730 | Total | EAC | Total | BASA | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 |
| EPU PROJECT | 056730 | FEX-FPL Exempt Employees | FEX | PAYROLL EMPLOYEE REL | 01427000000 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 | 49.5 |
| VP PLANT SUPPORT | 064725 | Total | EAC | Total | BASA | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 |
| VP PLANT SUPPORT | 064725 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01426923407 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 |
| VP PLANT SUPPORT | 064725 | FEX-FPL Exempt Employees | FEX | CAPACITY SECURITY PA | 01514926909 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| VP PLANT SUPPORT | 064725 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01426923407 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| VP PLANT SUPPORT | 064725 | FNX-FPL Non-Exempt Employees | FNX | CAPACITY SECURITY PA | 01514926909 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAGEMENT | 064345 | Total | EAC | Total | BASA | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX | OFFICE FURNITURE, FI | 00691000000 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX | SYSTEMS AND AUDITS - | 10138000000 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX | JOA/JB MANAGEMENT AH | 10140000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAGEMENT | 064345 | FEX-FPL Exempt Employees | FEX | VENDOR ACTIVITIES - | 10522000000 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| JOA/JB MANAGEMENT | 064345 | FNX-FPL Non-Exempt Employees | FNX | SYSTEMS AND AUDITS - | 10138000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| JOA/JB MANAGEMENT | 064345 | FNX-FPL Non-Exempt Employees | FNX | VENDOR ACTIVITIES - | 10522000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCL ASSURANCE-CNRB | 069554 | Total | EAC | Total | BASA | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCL ASSURANCE-CNRB | 069554 | FEX-FPL Exempt Employees | FEX | COMPANY NUCLEAR REVI | 10137000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PSL-NUC ASSURANCE | 067600 | Total | EAC | Total | BASA | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| PSL-NUC ASSURANCE | 067600 | FEX-FPL Exempt Employees | FEX | JOA/PSL MANAGEMENT A | 10524000000 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PSL-NUC ASSURANCE | 067600 | FNX-FPL Non-Exempt Employees | FNX | JOA/PSL MANAGEMENT A | 10524000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| PTN-NUC ASSURANCE | 069400 | Total | EAC | Total | BASA | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PTN-NUC ASSURANCE | 069400 | FEX-FPL Exempt Employees | FEX | QUALITY SUPPORT-JNA/ | 11507000000 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 |
| PTN-NUC ASSURANCE | 069400 | FNX-FPL Non-Exempt Employees | FNX | QUALITY SUPPORT-JNA/ | 11507000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURANCE CNRB | 069555 | Total | EAC | Total | BASA | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| NUCLR ASSURANCE CNRB | 069555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01672000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURANCE CNRB | 069555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01673000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCLR ASSURANCE CNRB | 069555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01674000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| SAFETY ASSURE MGT | 065225 | Total | EAC | Total | BASA | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 | 159.0 |
| SAFETY ASSURE MGT | 065225 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01426923407 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 | 148.0 |
| SAFETY ASSURE MGT | 065225 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01426923407 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |



Docket No. 080677-EI
FPL Resp. to SFHHA Int. No. 291
Exhibit __(LK-13), Page 15 of 24

# 2011 Budget

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291
Attachment No. 1
Tab 6 of 6

Version: 002 Original Budget
Fiscal year: 2011 K4/2011
Exp: 0 SUSPENSE

| BRC | EAC | | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total BRC | Total | EAC | Total | BASA | 2,076.8 | [illegible] | 2,092.8 | 2,095.8 | 2,096.8 | [illegible] | [illegible] | [illegible] | [illegible] | 2,105.8 | [illegible] | [illegible] |
| CSI/MGMT SUPI 064514 | Total | EAC | Total | BASA | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| CSI/MGMT SUPI 064514 | FEX-FPL Exempt Employees | FEX | CSI/MGMT SUPV | 11850010748 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| CSI/MGMT SUPI 064514 | FNX-FPL Non-Exempt Employees | FNX | CSI/MGMT SUPV | 11850010748 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| CSI CHIEFS 064515 | Total | EAC | Total | BASA | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | [illegible] | 21.0 | 21.0 |
| CSI CHIEFS 064515 | FEX-FPL Exempt Employees | FEX | CHIEFS REGULATORY | 11850021339 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| CODES & INSPE 064517 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| CODES & INSPE 064517 | FEX-FPL Exempt Employees | FEX | CODES AND INSPECTION | 10984902155 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| MATERIALS & C 064518 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | [illegible] | 7.0 | 7.0 |
| MATERIALS & C 064518 | FEX-FPL Exempt Employees | FEX | MATERIALS AND COMPON | 11898818751 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| RRAG SUMMAR 064529 | Total | EAC | Total | BASA | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | [illegible] | [illegible] | 7.0 |
| RRAG SUMMAR 064529 | FEX-FPL Exempt Employees | FEX | RRAG | 12146000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| RRAG SUMMAR 064529 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12148AFFLDC | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PLANT MANAGI 092000 | Total | EAC | Total | BASA | 595.0 | 598.0 | 596.0 | 598.0 | 596.0 | 596.0 | 596.0 | 600.0 | 596.0 | [illegible] | [illegible] | [illegible] |
| PLANT MANAGE 092000 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL EMPLOYEE REL | 01426000000 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 | 341.0 |
| PLANT MANAGE 092000 | FEX-FPL Exempt Employees | FEX | PAYROLL EMPLOYEE REL | 01426000000 | 218.0 | 219.0 | 219.0 | 219.0 | 219.0 | 219.0 | 218.0 | 218.0 | 218.0 | 219.0 | 218.0 | 218.0 |
| PLANT MANAGE 092000 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL EMPLOYEE REL | 01426000000 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 | 36.0 |
| PSL ENGINEERI 064589 | Total | EAC | Total | BASA | 118.0 | 118.0 | 118.0 | 116.0 | 118.0 | 118.0 | 118.0 | 118.0 | 118.0 | [illegible] | [illegible] | [illegible] |
| PSL ENGINEERI 064589 | FEX-FPL Exempt Employees | FEX | REQUESTS FOR ENG. AS | 11242000000 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 |
| PSL ENGINEERI 064589 | FNX-FPL Non-Exempt Employees | FNX | REQUESTS FOR ENG. AS | 11242000000 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| PTN ENGINEERI 064589 | Total | EAC | Total | BASA | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | [illegible] | [illegible] | [illegible] |
| PTN ENGINEERI 064589 | FEX-FPL Exempt Employees | FEX | PTN ENGRG PAYROLL | 12358905800 | 136.0 | 136.0 | 136.0 | 132.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 | 136.0 |
| PTN ENGINEERI 064589 | FNX-FPL Non-Exempt Employees | FNX | PTN ENGRG PAYROLL | 12358905800 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| MANAGEMENT 091400 | Total | EAC | Total | BASA | 663.0 | 670.0 | 679.0 | 682.0 | 683.0 | 684.0 | 684.0 | 698.0 | 691.0 | [illegible] | [illegible] | 702.0 |
| MANAGEMENT 091400 | FBV-FPL Bargaining Unit - Variable Emplo | FBV | PAYROLL | 01429926029 | 388.0 | 391.0 | 398.0 | 401.0 | 401.0 | 403.0 | 404.0 | 409.0 | 410.0 | 412.0 | 414.0 | 415.0 |
| MANAGEMENT 091400 | FEX-FPL Exempt Employees | FEX | PAYROLL | 01429926029 | 235.0 | 239.0 | 241.0 | 241.0 | 242.0 | 241.0 | 240.0 | 249.0 | 241.0 | 243.0 | 245.0 | 247.0 |
| MANAGEMENT 091400 | FNX-FPL Non-Exempt Employees | FNX | PAYROLL | 01429926029 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PTN RTE PEOPL 091457 | Total | EAC | Total | BASA | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | [illegible] | 4.0 | 4.0 | [illegible] | 4.0 | 4.0 |
| PTN RTE PEOPL 091457 | FEX-FPL Exempt Employees | FEX | ADDITIONAL PERSONNEL | 01753ADDPER | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| BUSINESS OPE 095100 | Total | EAC | Total | BASA | [illegible] | [illegible] | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | [illegible] | 15.0 | 15.0 | 15.0 | 15.0 |
| BUSINESS OPE 095100 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01429923407 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| BUSINESS OPE 095100 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01429923407 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PTN FUELS 068941 | Total | EAC | Total | BASA | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| PTN FUELS 068941 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| PTN FUELS 068941 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12132AFFLDC | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| FUEL PROJECT 068944 | Total | EAC | Total | BASA | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| FUEL PROJECT 068944 | FEX-FPL Exempt Employees | FEX | NUCLEAR FUEL PLANT S | 12132000000 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| FUEL PROJECT 068944 | FEX-FPL Exempt Employees | FEX | AFFILIATE DIRECT CHA | 12132AFFLDC | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| JB PROJECTS S 084860 | Total | EAC | Total | BASA | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| JB PROJECTS S 084860 | FEX-FPL Exempt Employees | FEX | JUNO NON PROJECT EXP | 01478JUNONP | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 |
| JB PROJECTS S 084860 | FNX-FPL Non-Exempt Employees | FNX | JUNO NON PROJECT EXP | 01478JUNONP | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| PSL PROJECTS 084851 | Total | EAC | Total | BASA | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |



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## 2011 Budget

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291
Attachment No. 1
Tab 6 of 6

| | | |
|---|---|---|
| Version | C62 | Original Budget |
| Fiscal year | 2011 | K4/2011 |
| Exp | 0 | SUSPENSE |

| BRC | EAC | | BASA | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PSL PROJECTS 084851 | FEX-FPL Exempt Employees | FEX | PSL PROJECT NON PROJ | 01478PSLNPE | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PTN PROJECTS 084852 | Total | EAC | Total | BASA | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PTN PROJECTS 084852 | FEX-FPL Exempt Employees | FEX | PTN NON PROJECT EXPE | 01478PTNNPE | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| PROJECTS ENG 086602 | Total | EAC | Total | BASA | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| PROJECTS ENG 086602 | FEX-FPL Exempt Employees | FEX | MAJOR PROJ ENG GRP - | 12345MPEGRP | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| EPU PROJECT 086730 | Total | EAC | Total | BASA | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |
| EPU PROJECT 086730 | FEX-FPL Exempt Employees | FEX | PAYROLL EMPLOYEE REL | 01428000000 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 | 47.8 |
| VP PLANT SUPF 084725 | Total | EAC | Total | BASA | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 |
| VP PLANT SUPF 084725 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01428923407 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 | 51.0 |
| VP PLANT SUPF 084725 | FEX-FPL Exempt Employees | FEX | CAPACITY SECURITY PA | 01514028900 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| VP PLANT SUPF 084725 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| VP PLANT SUPF 084725 | FNX-FPL Non-Exempt Employees | FNX | CAPACITY SECURITY PA | 01514828909 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAG 084345 | Total | EAC | Total | BASA | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 |
| JOA/JB MANAG 084345 | FEX-FPL Exempt Employees | FEX | OFFICE FURNITURE, FI | 00691000000 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| JOA/JB MANAG 084345 | FEX-FPL Exempt Employees | FEX | SYSTEMS AND AUDITS - | 10136000000 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| JOA/JB MANAG 084345 | FEX-FPL Exempt Employees | FEX | JOA/JB MANAGEMENT AN | 10140000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| JOA/JB MANAG 084345 | FEX-FPL Exempt Employees | FEX | VENDOR ACTIVITIES - | 10522000000 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| JOA/JB MANAG 084345 | FNX-FPL Non-Exempt Employees | FNX | SYSTEMS AND AUDITS - | 10136000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| JOA/JB MANAG 084345 | FNX-FPL Non-Exempt Employees | FNX | VENDOR ACTIVITIES - | 10522000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCL ASSURA 089554 | Total | EAC | Total | BASA | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCL ASSURA 089554 | FEX-FPL Exempt Employees | FEX | COMPANY NUCLEAR REVI | 10137000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PSL-NUC ASSU 067600 | Total | EAC | Total | BASA | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| PSL-NUC ASSU 067600 | FEX-FPL Exempt Employees | FEX | JOA/PSL MANAGEMENT A | 10524000000 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PSL-NUC ASSU 067600 | FNX-FPL Non-Exempt Employees | FNX | JOA/PSL MANAGEMENT A | 10524000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| PTN-NUC ASSU 069400 | Total | EAC | Total | BASA | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| PTN-NUC ASSU 069400 | FEX-FPL Exempt Employees | FEX | QUALITY SUPPORT-JNA | 11507000000 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 |
| PTN-NUC ASSU 069400 | FNX-FPL Non-Exempt Employees | FNX | QUALITY SUPPORT-JNA | 11507000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURA 089555 | Total | EAC | Total | BASA | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| NUCLR ASSURA 089555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01672000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NUCLR ASSURA 089555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01673000000 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| NUCLR ASSURA 089555 | FEX-FPL Exempt Employees | FEX | EMPLOYEE CONCERNS PR | 01674000000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| SAFETY ASSUR 065225 | Total | EAC | Total | BASA | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 |
| SAFETY ASSUR 065225 | FEX-FPL Exempt Employees | FEX | ST PAYROLL AND OTHER | 01428923407 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 | 152.0 |
| SAFETY ASSUR 065225 | FNX-FPL Non-Exempt Employees | FNX | ST PAYROLL AND OTHER | 01428923407 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |

Docket No. 080677-EI
FPL Resp. to SFHHA Int. No. 291
Exhibit __(LK-13), Page 17 of 24

2007 -2008 -2009 Actual



# Manpower Trend Report

| | |
|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | EAC\Fiscal year/period | 001/2007 | 002/2007 |
|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | FEX-FPL Exempt Employees | 51.0 | 53.0 |
| | | FNX-FPL Non-Exempt Employees | 3.0 | 3.0 |
| | | Result | 54.0 | 56.0 |
| | ▷ R01905 ST. LUCIE PLANT | FBF-FPL Bargaining Unit - Fixed Employees | 270.0 | 268.0 |
| | | FBV-FPL Bargaining Unit - Variable Employees | | |
| | | FEX-FPL Exempt Employees | 373.0 | 372.0 |
| | | FNX-FPL Non-Exempt Employees | 46.5 | 46.5 |
| | | Result | 689.5 | 686.5 |
| | ▷ R01908 PTN STATION | FBF-FPL Bargaining Unit - Fixed Employees | 294.0 | 292.0 |
| | | FBV-FPL Bargaining Unit - Variable Employees | | |
| | | FEX-FPL Exempt Employees | 360.5 | 361.5 |
| | | FNX-FPL Non-Exempt Employees | 49.0 | 52.0 |
| | | Result | 703.5 | 705.5 |
| | ▷ | FEX-FPL Exempt Employees | 18.0 | 17.0 |
| | | FNX-FPL Non-Exempt Employees | 2.0 | 2.0 |
| | ▷ R31800 ND MANAGEMENT | Result | 20.0 | 19.0 |
| | ▷ | FEX-FPL Exempt Employees | 105.0 | 104.0 |
| | | FNX-FPL Non-Exempt Employees | 9.0 | 9.0 |
| | | Result | 114.0 | 113.0 |
| | ▷ R64725 VP PLANT SUPPORT | FEX-FPL Exempt Employees | 28.0 | 27.0 |
| | | FNX-FPL Non-Exempt Employees | 3.0 | 3.0 |
| | | Result | 31.0 | 30.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | FEX-FPL Exempt Employees | 72.0 | 73.0 |
| | | FNX-FPL Non-Exempt Employees | 6.0 | 7.0 |
| | | Result | 78.0 | 80.0 |
| | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | Result | 1,690.0 | 1,690.0 |

2007 -2008 -2009 Actual

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291 - Supplemental
Attachment No. 1

# Manpower Trend Report

| | |
|---|---|
| *BASA* | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| *Fiscal year/period* | |

| | BRC | 003/2007 | 004/2007 | 005/2007 | 006/2007 | 007/2007 |
|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 *ENGINEERING SUPPORT SERVICES* | 56.0 | 56.0 | 57.0 | 59.0 | 57.0 |
| | | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 58.0 | 59.0 | 60.0 | 62.0 | 60.0 |
| | ▷ R01905 ST. LUCIE PLANT | 271.0 | 273.0 | 273.0 | 278.0 | 285.0 |
| | | | | | | |
| | | 371.0 | 377.0 | 377.0 | 379.0 | 383.0 |
| | | 46.5 | 45.5 | 44.0 | 44.0 | 44.0 |
| | | 688.5 | 696.5 | 694.0 | 701.0 | 712.0 |
| | ▷ R01908 PTN STATION | 287.0 | 271.0 | 277.0 | 284.0 | 290.0 |
| | | | | | | |
| | | 360.5 | 359.5 | 365.5 | 370.5 | 371.5 |
| | | 53.0 | 53.0 | 51.0 | 51.0 | 52.0 |
| | | 700.5 | 683.5 | 693.5 | 705.5 | 713.5 |
| | ▷ | 17.0 | 15.0 | 15.0 | 13.0 | 14.0 |
| | | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| | ▷ R31800 ND MANAGEMENT | 19.0 | 17.0 | 17.0 | 15.0 | 17.0 |
| | ▷ | 104.0 | 105.0 | 111.0 | 112.0 | 112.0 |
| | | 9.0 | 8.0 | 9.0 | 9.0 | 9.0 |
| | | 113.0 | 113.0 | 120.0 | 121.0 | 121.0 |
| | ▷ R64725 VP PLANT SUPPORT | 28.0 | 32.0 | 32.0 | 32.0 | 35.0 |
| | | 3.0 | 4.0 | 4.0 | 4.0 | 5.0 |
| | | 31.0 | 36.0 | 36.0 | 36.0 | 40.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 73.0 | 72.0 | 72.0 | 73.0 | 74.0 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | | 80.0 | 79.0 | 79.0 | 80.0 | 81.0 |
| | | | | | | |
| | △ **R31000 NUCLEAR DIVISION BUSINESS UNIT** | 1,690.0 | 1,683.0 | 1,699.5 | 1,720.5 | 1,744.5 |

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# Manpower Trend Report

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| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| *Fiscal year/period* | |

| | BRC | 008/2007 | 009/2007 | 010/2007 | 011/2007 | 012/2007 |
|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 56.0 | 54.0 | 55.0 | 59.0 | 59.0 |
| | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 59.0 | 57.0 | 58.0 | 62.0 | 62.0 |
| | ▷ R01905 ST. LUCIE PLANT | 284.0 | 289.0 | 290.0 | 290.0 | 289.0 |
| | | | | | | |
| | | 380.0 | 381.0 | 380.0 | 378.0 | 377.0 |
| | | 44.0 | 45.0 | 45.0 | 45.0 | 45.0 |
| | | 708.0 | 715.0 | 715.0 | 713.0 | 711.0 |
| | ▷ R01908 PTN STATION | 289.0 | 294.0 | 296.0 | 292.0 | 291.0 |
| | | | | | | |
| | | 367.5 | 372.5 | 372.5 | 378.5 | 379.5 |
| | | 52.0 | 51.0 | 51.0 | 51.0 | 52.0 |
| | | 708.5 | 717.5 | 719.5 | 721.5 | 722.5 |
| | ▷ | 14.0 | 14.0 | 15.0 | 15.0 | 16.0 |
| | | 3.0 | 3.0 | 2.0 | 2.0 | 3.0 |
| | ▷ R31800 ND MANAGEMENT | 17.0 | 17.0 | 17.0 | 17.0 | 19.0 |
| | ▷ | 104.0 | 104.0 | 107.0 | 107.0 | 110.0 |
| | | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| | | 112.0 | 112.0 | 115.0 | 115.0 | 118.0 |
| | ▷ R64725 VP PLANT SUPPORT | 45.0 | 45.0 | 48.0 | 48.0 | 47.0 |
| | | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | | 50.0 | 51.0 | 54.0 | 54.0 | 53.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 75.0 | 73.0 | 73.0 | 73.0 | 74.0 |
| | | 8.0 | 8.0 | 10.0 | 9.0 | 9.0 |
| | | 83.0 | 81.0 | 83.0 | 82.0 | 83.0 |
| | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,737.5 | 1,750.5 | 1,761.5 | 1,764.5 | 1,768.5 |

# Manpower Trend Report

| | |
|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | 001/2008 | 002/2008 | 003/2008 | 004/2008 | 005/2008 |
|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 59.0 | 59.0 | 59.0 | 59.0 | 60.0 |
| | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 62.0 | 62.0 | 62.0 | 62.0 | 63.0 |
| | ▷ R01905 ST. LUCIE PLANT | 285.0 | 284.0 | 282.0 | 297.0 | 309.0 |
| | | | | | | |
| | | 369.0 | 368.0 | 367.0 | 365.0 | 361.0 |
| | | 44.0 | 43.0 | 43.0 | 39.0 | 40.0 |
| | | 698.0 | 695.0 | 692.0 | 701.0 | 710.0 |
| | ▷ R01908 PTN STATION | 290.0 | 290.0 | 298.0 | 302.0 | 307.0 |
| | | | | | | |
| | | 388.5 | 387.5 | 383.5 | 387.5 | 389.5 |
| | | 51.0 | 51.0 | 50.0 | 50.0 | 51.0 |
| | | 729.5 | 728.5 | 731.5 | 739.5 | 747.5 |
| | ▷ | 17.0 | 17.0 | 18.0 | 19.0 | 20.0 |
| | | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 |
| | ▷ R31800 ND MANAGEMENT | 21.0 | 21.0 | 22.0 | 24.0 | 25.0 |
| | ▷ | 110.0 | 112.0 | 118.0 | 122.0 | 128.5 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | | 117.0 | 119.0 | 126.0 | 129.0 | 135.5 |
| | ▷ R64725 VP PLANT SUPPORT | 47.0 | 48.0 | 52.0 | 51.0 | 57.0 |
| | | 6.0 | 6.0 | 7.0 | 8.0 | 8.0 |
| | | 53.0 | 54.0 | 59.0 | 59.0 | 65.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 78.0 | 78.0 | 80.0 | 80.0 | 81.0 |
| | | 10.0 | 10.0 | 11.0 | 11.0 | 10.0 |
| | | 88.0 | 88.0 | 91.0 | 91.0 | 91.0 |
| | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,768.5 | 1,767.5 | 1,782.5 | 1,805.5 | 1,837.0 |

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291 - *Supplemental*
Attachment No. 1

# Manpower Trend Report

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|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | 006/2008 | 007/2008 | 008/2008 | 009/2008 | 010/2008 |
|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 59.0 | 51.0 | 49.0 | 48.0 | 47.0 |
| | | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | | 62.0 | 54.0 | 52.0 | 51.0 | 50.0 |
| | ▷ R01905 ST. LUCIE PLANT | 312.0 | 316.0 | 318.0 | 334.0 | 333.0 |
| | | | | | | |
| | | 362.0 | 366.0 | 367.0 | 369.0 | 368.0 |
| | | 41.0 | 42.0 | 43.0 | 43.0 | 43.0 |
| | | 715.0 | 724.0 | 728.0 | 746.0 | 744.0 |
| | ▷ R01908 PTN STATION | 308.0 | 305.0 | 304.0 | 307.0 | 311.0 |
| | | | | | | |
| | | 385.5 | 388.5 | 392.5 | 402.0 | 402.0 |
| | | 50.0 | 51.0 | 49.0 | 51.0 | 51.0 |
| | | 743.5 | 744.5 | 745.5 | 760.0 | 764.0 |
| | ▷ | 21.0 | 24.0 | 25.0 | 25.0 | 25.0 |
| | | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 |
| | ▷ R31800 ND MANAGEMENT | 26.0 | 29.0 | 29.0 | 29.0 | 29.0 |
| | ▷ | 128.5 | 136.5 | 136.5 | 140.5 | 140.5 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | | 135.5 | 143.5 | 143.5 | 147.5 | 147.5 |
| | ▷ R64725 VP PLANT SUPPORT | 65.0 | 64.0 | 64.0 | 67.0 | 67.0 |
| | | 7.0 | 7.0 | 8.0 | 8.0 | 8.0 |
| | | 72.0 | 71.0 | 72.0 | 75.0 | 75.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 76.0 | 76.0 | 79.0 | 81.0 | 79.0 |
| | | 10.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| | | 86.0 | 85.0 | 88.0 | 90.0 | 88.0 |
| | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,840.0 | 1,851.0 | 1,858.0 | 1,898.5 | 1,897.5 |

## Manpower Trend Report

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|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | SUSPENSE |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | 011/2008 | 012/2008 | 001/2009 | 002/2009 | 003/2009 |
|---|---|---|---|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 47.0 | 48.0 | 47.0 | 47.0 | 47.0 |
| | | 3.0 | 3.0 | 3.0 | 2.0 | 2.0 |
| | | 50.0 | 51.0 | 50.0 | 49.0 | 49.0 |
| | ▷ R01905 ST. LUCIE PLANT | 333.0 | 333.0 | 333.0 | 332.0 | 330.0 |
| | | | | | | |
| | | 368.0 | 364.0 | 364.0 | 366.0 | 364.0 |
| | | 43.0 | 42.0 | 42.0 | 42.0 | 41.0 |
| | | 744.0 | 739.0 | 739.0 | 740.0 | 735.0 |
| | ▷ R01908 PTN STATION | 311.0 | 314.0 | 315.0 | 318.0 | 316.0 |
| | | | | | | |
| | | 399.0 | 396.0 | 395.0 | 391.0 | 389.0 |
| | | 51.0 | 51.0 | 51.0 | 49.0 | 49.0 |
| | | 761.0 | 761.0 | 761.0 | 758.0 | 754.0 |
| | ▷ | 24.0 | 24.0 | 23.0 | 23.0 | 23.0 |
| | | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | ▷ R31800 ND MANAGEMENT | 28.0 | 28.0 | 27.0 | 27.0 | 27.0 |
| | ▷ | 142.5 | 140.5 | 138.5 | 137.5 | 137.5 |
| | | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| | | 149.5 | 147.5 | 145.5 | 144.5 | 144.5 |
| | ▷ R64725 VP PLANT SUPPORT | 66.0 | 66.0 | 66.0 | 66.0 | 65.0 |
| | | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| | | 74.0 | 74.0 | 74.0 | 74.0 | 73.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 79.0 | 79.0 | 79.0 | 78.0 | 77.0 |
| | | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| | | 88.0 | 88.0 | 88.0 | 87.0 | 86.0 |
| | | | | | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,894.5 | 1,888.5 | 1,884.5 | 1,879.5 | 1,868.5 |

2007 -2008 -2009 Actual

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291 - *Supplemental*
Attachment No. 1

# Manpower Trend Report

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|---|---|
| BASA | |
| EAC | |
| Key Figures | |
| BRC | |

| | |
|---|---|
| Fiscal Year Variant | Calendar year, 4 spec. periods |
| BRC | NUC DIV BUS UNIT |
| EAC | FPL EMPLOYEES |
| Exp | *SUSPENSE* |

| | |
|---|---|
| Fiscal year/period | |

| | BRC | 004/2009 |
|---|---|---|
| Actual version | △ ▷ R01044 ENGINEERING SUPPORT SERVICES | 44.0 |
| | | 2.0 |
| | | 46.0 |
| | ▷ R01905 ST. LUCIE PLANT | 329.0 |
| | | |
| | | 361.0 |
| | | 41.0 |
| | | 731.0 |
| | ▷ R01908 PTN STATION | 315.0 |
| | | |
| | | 386.0 |
| | | 49.0 |
| | | 750.0 |
| | ▷ | 25.0 |
| | | 4.0 |
| | ▷ R31800 ND MANAGEMENT | 29.0 |
| | ▷ | 140.5 |
| | | 7.0 |
| | | 147.5 |
| | ▷ R64725 VP PLANT SUPPORT | 65.0 |
| | | 8.0 |
| | | 73.0 |
| | ▷ R65200 VP SAFETY ASSURANCE | 77.0 |
| | | 9.0 |
| | | 86.0 |
| | | |
| | △ R31000 NUCLEAR DIVISION BUSINESS UNIT | 1,862.5 |

Docket No. 080677-EI
FPL Resp. to SFHHA Int. No. 291
Exhibit __(LK-13), Page 24 of 24

EXHIBIT___(LK-14)

Exhibit___(LK-14)
Page 1 of 1

**FLORIDA POWER AND LIGHT**
**SFHHA ADJUSTMENTS TO ELIMINATE NUCLEAR STAFF INCREASES**
**TEST YEAR ENDING DECEMBER 31, 2010**
**($ MILLIONS)**

Source: Response to SFHHA Interrogatory No. 240

Per the response, FPL included $18.5 million in the test year for additional nuclear staffing related to O&M. The adjustment below includes a separate computation of payroll taxes and fringe benefits based on the analysis performed to compute the productivity reduction.

| | O&M Amount |
|---|---|
| O&M Nuclear Staffing Increases by 2010 | 18.500 |
| O&M Nuclear Staffing Increase Payroll Tax 2010 | 1.194 |
| O&M Nuclear Staffing Incease Fr. Benefits | 2.158 |
| Total Nuclear Staffing Increase | 21.852 |

EXHIBIT___(LK-15)

**Q.**
**Regarding Testimony of FPL Witness J. A. Stall**

Regarding page 31:5-11. Please specifically identify and describe FPL's efforts through litigation to seek recovery of past and future damages related to the US Government's failure to dispose of FPL's spent fuel, the current status of such litigation, and FPL's plan for accounting for any recoveries FPL makes in such litigation in terms of flowing recoveries back to ratepayers.

**A.**
In 1998, FPL filed a lawsuit against the U.S. Government seeking damages caused by the U.S. Department of Energy's (DOE) failure to dispose of spent nuclear fuel (SNF) from FPL's nuclear power plants. On March 31, 2009, FPL entered into a settlement agreement with the U.S. Government that resolves FPL's SNF damages claims against the Government. Under the settlement, FPL will receive from the Government a cash payment of $77.1 million, representing damages incurred related to DOE's SNF default through December 31, 2007. The settlement also formalizes an annual claim process that will enable FPL to submit and receive payment from the Government for annual SNF expenditures related to DOE's default. This process will enable FPL to recover its expenses relating to the long-term storage of SNF at FPL's nuclear power plants without the need for additional litigation.

The SNF settlement represents reimbursement for incremental costs incurred by FPL because DOE failed to meet its obligations in a timely manner. As these incremental costs were incurred by FPL they were charged either to base O&M or capitalized, resulting in an increase in capital structure and lowering the base ROE realized. The SNF settlement was subsequently recorded as a reduction to plant, CWIP, and O&M and reversal of previously incurred depreciation expense. Customers will receive the benefits associated with the SNF settlement through future rates. These reductions were forecasted in 2009 as achieved so current plant and depreciation expense reflects FPL's estimate of those settlement dollars received. Therefore, the 2010 plant balances used to calculate test year results reflect this estimated reduction and customers will receive the benefits associated with the SNF settlement through future rates. Reductions in prospective costs should likewise occur as DOE reimburses FPL for SNF costs incurred in 2009 and beyond. These refunds were not forecasted in the Test Year and Subsequent Year revenue requirements.

**EXHIBIT___(LK-16)**

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Interrogatory No. 120
Page 1 of 1

**Q.**
**Interrogatories Directed to Ms. Kim Ousdahl:**

Regarding Schedule C-41. Please state the capital costs and O&M expenses associated with smart meters up through and including meters that will be installed in 2010.

**A.**
The O&M and Capital expenditures related to Advanced Metering Infrastructure (AMI) are:

($Millions)

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| O&M | $0.98 | $0.85 | $1.39 | $2.61 | $7.40 |
| Capital | $2.64 | $1.15 | $7.07 | $43.68 | $168.54 |

Please note that Capital expenditures are not included in Schedule C-41.

**EXHIBIT___(LK-17)**

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Tenth Set of Interrogatories**
**Interrogatory No. 289**
**Page 1 of 1**

Q.
Please provide a deployment timeline for the AMI program along with annual projections of costs and savings separated into capital and expense, including all supporting assumptions, data, computations, workpapers and electronic spreadsheets with formulas intact.

A.

| Deployment | 2009 | 2010 | 2011 | 2012 | 2013 | Total |
|---|---|---|---|---|---|---|
| Meters ( thousands) | 170 | 1,128 | 1,099 | 1,076 | 873 | 4,346 |
| | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | Total |
| Capital (millions) | $43.7 | $168.5 | $158.7 | $151.5 | $122.5 | $645.0 |
| | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | |
| O&M (Thousands) | $2,274 | $6,883 | $8,910 | $11,882 | $10,458 | |
| Savings (Thousands) | $(167) | $(418) | $(4,700) | $(18,203) | $(30,401) | |
| | | | | | | |
| Net O&M (Thousands) | $2,106 | $6,465 | $4,210 | $(6,321) | $(19,943) | |

Based on this deployment schedule, net O&M savings beyond 2013 will be greater than $30 million annually. See supporting documents provided in response to SFHHA's Tenth Request for Production of Documents No. 102.

EXHIBIT___(LK-18)

**Q.**
Please provide a schedule showing the amounts included in each rate base component and each operating expense for the AMI program in each month for the prior year, the test year and in the subsequent year.

**A.**
See Attachment No. 1.

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 290
Attachment No. 1

## Advanced Metering Infrastructure ("AMI")

| Rate Base Components | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **CWIP** | | | | | | | | | | | | |
| Intangible Plant | $ 426,129 | $ 852,258 | $ 1,437,951 | $ 2,014,442 | $ 2,590,933 | $ 4,189,824 | $ 7,429,648 | $ 8,101,924 | $ 8,711,748 | $ 9,321,572 | $ 9,931,396 | $ 11,126,974 |
| Distribution 370 | $ 6,326 | $ 8,223 | $ 19,438 | $ 20,075 | $ 22,007 | $ 39,824 | $ 92,076 | $ 795,577 | $ 1,618,521 | $ 2,815,312 | $ 3,423,594 | $ 3,584,114 |
| Total CWIP | $ 432,455 | $ 860,481 | $ 1,457,389 | $ 2,034,517 | $ 2,612,940 | $ 4,229,648 | $ 7,521,724 | $ 8,897,501 | $ 10,330,269 | $ 12,136,884 | $ 13,354,990 | $ 14,711,088 |
| **Plant in Service** | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 14,760 | $ 33,947 | $ 79,302 | $ 126,145 | $ 177,495 | $ 270,416 | $ 485,259 | $ 2,341,607 | $ 6,118,156 | $ 12,687,218 | $ 20,675,605 | $ 29,038,537 |
| Total Plant in Service | $ 14,760 | $ 33,947 | $ 79,302 | $ 126,145 | $ 177,495 | $ 270,416 | $ 485,259 | $ 2,341,607 | $ 6,118,156 | $ 12,687,218 | $ 20,675,605 | $ 29,038,537 |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ (25) | $ (106) | $ (295) | $ (637) | $ (1,143) | $ (1,890) | $ (3,149) | $ (7,860) | $ (21,960) | $ (53,302) | $ (108,907) | $ (191,764) |
| Total Accumulated Depreciation | $ (25) | $ (106) | $ (295) | $ (637) | $ (1,143) | $ (1,890) | $ (3,149) | $ (7,860) | $ (21,960) | $ (53,302) | $ (108,907) | $ (191,764) |
| **Operating Expense** | | | | | | | | | | | | |
| O&M Expenses | $ 339,962 | $ 90,512 | $ 122,876 | $ 83,147 | $ 120,740 | $ 121,227 | $ 121,697 | $ 187,669 | $ 291,978 | $ 154,157 | $ 209,964 | $ 262,549 |
| **Depreciation Expense** | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 25 | $ 81 | $ 189 | $ 342 | $ 506 | $ 747 | $ 1,259 | $ 4,711 | $ 14,100 | $ 31,342 | $ 55,605 | $ 82,857 |
| Total Depreciation Expense | $ 25 | $ 81 | $ 189 | $ 342 | $ 506 | $ 747 | $ 1,259 | $ 4,711 | $ 14,100 | $ 31,342 | $ 55,605 | $ 82,857 |

Docket No. 080677-EI
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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 290
Attachment No. 1

**Advanced Metering Infrastructure ("AMI")**

| Rate Base Components | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CWIP | | | | | | | | | | | | |
| Intangible Plant | $ 11,751,893 | $ 12,376,812 | $ 13,810,468 | $ 14,435,716 | $ 15,795,814 | $ 18,121,062 | $ 18,799,560 | $ 19,433,216 | $ 20,566,872 | $ 21,192,120 | $ 21,817,368 | $ 22,942,616 |
| Distribution 370 | $ 4,999,393 | $ 5,412,588 | $ 5,550,830 | $ 5,579,421 | $ 5,588,223 | $ 5,628,700 | $ 5,604,926 | $ 5,612,421 | $ 5,614,799 | $ 5,609,525 | $ 5,608,767 | $ 5,526,761 |
| Total CWIP | $ 16,751,286 | $ 17,789,400 | $ 19,361,298 | $ 20,015,137 | $ 21,384,037 | $ 23,749,762 | $ 24,404,486 | $ 25,045,637 | $ 26,181,671 | $ 26,801,645 | $ 27,426,135 | $ 28,469,377 |
| Plant in Service | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 40,703,789 | $ 53,333,159 | $ 66,285,096 | $ 79,303,746 | $ 92,342,934 | $ 105,476,566 | $ 118,554,726 | $ 131,650,374 | $ 144,751,572 | $ 157,840,463 | $ 170,927,587 | $ 183,823,364 |
| Total Plant in Service | $ 40,703,789 | $ 53,333,159 | $ 66,285,096 | $ 79,303,746 | $ 92,342,934 | $ 105,476,566 | $ 118,554,726 | $ 131,650,374 | $ 144,751,572 | $ 157,840,463 | $ 170,927,587 | $ 183,823,364 |
| Accumulated Depreciation | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ (308,001) | $ (464,729) | $ (664,093) | $ (906,741) | $ (1,192,819) | $ (1,522,518) | $ (1,895,904) | $ (2,312,912) | $ (2,773,582) | $ (3,277,902) | $ (3,825,849) | $ (4,417,100) |
| Total Accumulated Depreciation | $ (308,001) | $ (464,729) | $ (664,093) | $ (906,741) | $ (1,192,819) | $ (1,522,518) | $ (1,895,904) | $ (2,312,912) | $ (2,773,582) | $ (3,277,902) | $ (3,825,849) | $ (4,417,100) |
| Operating Expense | | | | | | | | | | | | |
| O&M Expenses | $ 602,198 | $ 339,572 | $ 411,646 | $ 347,987 | $ 380,971 | $ 416,056 | $ 559,246 | $ 424,561 | $ 922,628 | $ 305,155 | $ 278,226 | $ 1,477,134 |
| Depreciation Expense | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 116,237 | $ 156,728 | $ 199,364 | $ 242,648 | $ 286,078 | $ 329,699 | $ 373,385 | $ 417,009 | $ 460,670 | $ 504,320 | $ 547,947 | $ 591,252 |
| Total Depreciation Expense | $ 116,237 | $ 156,728 | $ 199,364 | $ 242,648 | $ 286,078 | $ 329,699 | $ 373,385 | $ 417,009 | $ 460,670 | $ 504,320 | $ 547,947 | $ 591,252 |



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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 290
Attachment No. 1

**Advanced Metering Infrastructure ("AMI")**

**Rate Base Components**

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CWIP | | | | | | | | | | | | |
| *Intangible Plant* | $ 23,339,004 | $ 23,726,024 | $ 24,613,418 | $ 25,000,812 | $ 25,388,206 | $ 27,606,850 | $ 27,994,244 | $ 28,391,194 | $ 29,278,588 | $ 29,665,982 | $ 30,053,376 | $ 31,194,020 |
| Distribution 370 | $ 5,456,143 | $ 5,400,370 | $ 5,385,146 | $ 5,382,484 | $ 5,381,942 | $ 5,318,557 | $ 5,359,752 | $ 5,389,121 | $ 5,381,434 | $ 5,405,300 | $ 5,423,812 | $ 5,269,815 |
| Total CWIP | $ 28,795,147 | $ 29,126,394 | $ 29,998,564 | $ 30,383,296 | $ 30,770,148 | $ 32,925,407 | $ 33,353,996 | $ 33,780,315 | $ 34,660,022 | $ 35,071,282 | $ 35,477,188 | $ 36,463,835 |
| Plant in Service | | | | | | | | | | | | |
| *Intangible Plant* | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 196,554,365 | $ 209,155,228 | $ 221,720,567 | $ 234,279,698 | $ 246,837,563 | $ 259,247,528 | $ 271,753,618 | $ 284,328,234 | $ 296,884,914 | $ 309,497,282 | $ 322,152,843 | $ 334,449,079 |
| Total Plant in Service | $ 196,554,365 | $ 209,155,228 | $ 221,720,567 | $ 234,279,698 | $ 246,837,563 | $ 259,247,528 | $ 271,753,618 | $ 284,328,234 | $ 296,884,914 | $ 309,497,282 | $ 322,152,843 | $ 334,449,079 |
| Accumulated Depreciation | | | | | | | | | | | | |
| *Intangible Plant* | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| *Distribution 370* | $ (5,051,063) | $ (5,727,246) | $ (6,445,372) | $ (7,205,373) | $ (8,007,235) | $ (8,850,710) | $ (9,735,712) | $ (10,662,515) | $ (11,631,204) | $ (12,641,841) | $ (13,694,591) | $ (14,788,927) |
| Total Accumulated Depreciation | $ (5,051,063) | $ (5,727,246) | $ (6,445,372) | $ (7,205,373) | $ (8,007,235) | $ (8,850,710) | $ (9,735,712) | $ (10,662,515) | $ (11,631,204) | $ (12,641,841) | $ (13,694,591) | $ (14,788,927) |
| **Operating Expense** | | | | | | | | | | | | |
| O&M Expenses | $ 485,869 | $ 134,259 | $ 153,521 | $ (10,030) | $ 22,935 | $ 55,898 | $ 398,422 | $ 77,603 | $ 557,960 | $ (39,128) | $ (60,873) | $ 2,434,098 |
| Depreciation Expense | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Distribution 370 | $ 633,963 | $ 676,183 | $ 718,126 | $ 760,000 | $ 801,862 | $ 843,475 | $ 885,002 | $ 926,803 | $ 968,689 | $ 1,010,637 | $ 1,052,750 | $ 1,094,337 |
| Total Depreciation Expense | $ 633,963 | $ 676,183 | $ 718,126 | $ 760,000 | $ 801,862 | $ 843,475 | $ 885,002 | $ 926,803 | $ 968,689 | $ 1,010,637 | $ 1,052,750 | $ 1,094,337 |

EXHIBIT___(LK-19)

Q.
Regarding Schedule C-8 for the 2010 test year, page 1:26 and page 3:21-24. Please provide a more detailed explanation for the variance in account 902 for 2010 compared to 2009 than provided in Reason I. The explanation should include a description of why there is an expense increase of $4.8 million for the "full-scale deployment" of the AMI rather than a reduction in meter reading expenses.

A.
The $4.8 million increase in 2010 is driven by cost associated with the first full year of AMI deployment and includes expenses related to repair and replace unsafe meter conditions encountered during deployment and installation, customer marketing and mail-outs to educate the customers on the benefits of AMI, and severance. In addition, it includes expense associated with the operations of the project such as software maintenance and hosting fees for AMI communication vendor, network and field support, communication lines, and materials & supplies. The $0.5 million increase in 2010 associated with meter reading expense is net of $0.4 million in savings related to the AMI project.

EXHIBIT___(LK-20)

**Q.**
**Regarding Testimony of FPL Witness Marlene M. Santos**

Regarding pages 29:1-41:18. Please provide a date for when FPL anticipates it will have completed implementation of all smart meters, the ultimate number of customers FPL anticipates to provide with smart meters, describe the projected total cost of installing all smart meters, and the total costs savings upon implementation of all smart meters.

**A.**
Large scale AMI deployment is planned to begin later in 2009 and run through 2013. This deployment will replace approximately 4.3 million meters. The AMI meter will also be deployed to all new residential and small/medium service accounts as the customer population grows. The total cost of the project includes the integrated meter and installation, network field infrastructure and installation, software integration, software license fees and maintenance, servers, emergency repairs on electric service during installation, customer communication mail outs and operations. Total capital costs and cumulative O&M through 2013 is approximately $645M and $34M, respectively. The total savings associated with AMI are Customer Service operational savings, primarily driven by meter reading costs. The savings are approximately $36M annually once fully implemented.

EXHIBIT___(LK-21)

**Q.**
Please provide a deployment timeline for the new CIS along with annual projections of costs and savings separated into capital and expense, including all supporting assumptions, data, computations, workpapers and electronic spreadsheets with formulas intact.

**A.**
The preliminary project assessment phase for CIS III will begin at the start of 2010. As a result, only a high-level timeline can be provided herein. Current plans are as follows:

- Project Assessment (including Business Case generation): planned completion - Feb 2010;
- Project Preparation: planned completion - June 2010;
- Business BluePrint: planned completion - Feb 2011;
- Realization: planned completion - Jan 2012;
- Final Preparation: completion - April 2012;
- Cutover / Go-Live: completion - June 2012.

Annual projected CIS III project costs:

- 2010 O&M: $7,250,000;
- 2011 O&M: $5,000,000;
- 2012 O&M: $19,000,000;
- 2010 Capital: $12,000,000;
- 2011 Capital: $76,000,000;
- 2012 Capital: $41,000,000.

EXHIBIT___(LK-22)

Q.
Please provide a schedule showing the amounts included in each rate base component and each operating expense for the new CIS in each month for the prior year, the test year and in the subsequent year.

A.
See Attachment No. 1.

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 288
Attachment No. 1

**Customer Information System ("CIS")**

| Rate Base Components | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CWIP | | | | | | | | | | | | |
| *Intangible Plant* | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| General Plant Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total CWIP | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Plant in Service | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| General Plant Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Plant in Service | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| *Accumulated Depreciation* | | | | | | | | | | | | |
| *Intangible Plant* | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| General Plant Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Accumulated Depreciation | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Operating Expenses** | | | | | | | | | | | | |
| *O&M Expense* | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Depreciation Expense | | | | | | | | | | | | |
| Intangible Plant | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| General Plant Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Depreciation Expense | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogator
Question No. 288
Attachment No. 1

## Customer Information System ("CIS")

| Rate Base Components | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CWIP | | | | | | | | | | | | |
| Intangible Plant | $ 224,000 | $ 380,800 | $ 490,560 | $ 567,392 | $ 621,174 | $ 658,822 | $ 797,175 | $ 894,023 | $ 961,816 | $ 1,009,271 | $ 1,042,490 | $ 1,065,743 |
| General Plant Other | $ 384,000 | $ 691,200 | $ 936,960 | $ 1,133,568 | $ 1,290,854 | $ 1,416,684 | $ 1,709,347 | $ 1,943,477 | $ 2,130,782 | $ 2,280,626 | $ 2,400,500 | $ 2,496,400 |
| Total CWIP | $ 608,000 | $ 1,072,000 | $ 1,427,520 | $ 1,700,960 | $ 1,912,029 | $ 2,075,506 | $ 2,506,522 | $ 2,837,500 | $ 3,092,598 | $ 3,289,897 | $ 3,442,990 | $ 3,562,143 |
| Plant in Service | | | | | | | | | | | | |
| Intangible Plant | $ 96,000 | $ 259,200 | $ 469,440 | $ 712,608 | $ 978,826 | $ 1,261,178 | $ 1,602,825 | $ 1,985,977 | $ 2,398,184 | $ 2,830,729 | $ 3,277,510 | $ 3,734,257 |
| General Plant Other | $ 96,000 | $ 268,800 | $ 503,040 | $ 786,432 | $ 1,109,146 | $ 1,463,316 | $ 1,890,653 | $ 2,376,523 | $ 2,909,218 | $ 3,479,374 | $ 4,079,500 | $ 4,703,600 |
| Total Plant in Service | $ 192,000 | $ 528,000 | $ 972,480 | $ 1,499,040 | $ 2,087,971 | $ 2,724,494 | $ 3,493,478 | $ 4,362,500 | $ 5,307,402 | $ 6,310,103 | $ 7,357,010 | $ 8,437,857 |
| Accumulated Depreciation | | | | | | | | | | | | |
| Intangible Plant | $ (620) | $ (2,914) | $ (7,620) | $ (15,254) | $ (26,178) | $ (40,644) | $ (59,141) | $ (82,319) | $ (110,633) | $ (144,403) | $ (183,852) | $ (229,137) |
| General Plant Other | $ (620) | $ (2,976) | $ (7,961) | $ (16,289) | $ (28,531) | $ (45,145) | $ (66,806) | $ (94,365) | $ (128,502) | $ (169,761) | $ (218,579) | $ (275,303) |
| Total Accumulated Depreciation | $ (1,240) | $ (5,890) | $ (15,581) | $ (31,543) | $ (54,709) | $ (85,789) | $ (125,947) | $ (176,683) | $ (239,135) | $ (314,165) | $ (402,431) | $ (504,440) |
| **Operating Expenses** | | | | | | | | | | | | |
| O&M Expense | $ 595,283 | $ 595,283 | $ 648,581 | $ 595,283 | $ 595,283 | $ 595,283 | $ 595,283 | $ 648,581 | $ 595,263 | $ 595,283 | $ 595,283 | $ 595,291 |
| Depreciation Expense | | | | | | | | | | | | |
| Intangible Plant | $ 620 | $ 2,294 | $ 4,706 | $ 7,634 | $ 10,924 | $ 14,467 | $ 18,497 | $ 23,178 | $ 28,314 | $ 33,770 | $ 39,449 | $ 45,284 |
| General Plant Other | $ 620 | $ 2,356 | $ 4,985 | $ 8,328 | $ 12,242 | $ 16,614 | $ 21,661 | $ 27,559 | $ 34,137 | $ 41,260 | $ 48,818 | $ 56,724 |
| Total Depreciation Expense | $ 1,240 | $ 4,650 | $ 9,691 | $ 15,962 | $ 23,166 | $ 31,081 | $ 40,158 | $ 50,737 | $ 62,451 | $ 75,030 | $ 88,267 | $ 102,009 |



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Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogator
Question No. 288
Attachment No. 1

Customer Information System ("CIS")

**Rate Base Components**

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CWIP | | | | | | | | | | | | |
| Intangible Plant | $ 2,164,687 | $ 2,933,948 | $ 3,472,430 | $ 3,849,368 | $ 4,113,224 | $ 4,297,924 | $ 5,136,547 | $ 5,723,583 | $ 6,134,508 | $ 6,422,155 | $ 6,623,509 | $ 6,764,456 |
| General Plant Other | $ 4,429,120 | $ 5,975,297 | $ 7,212,237 | $ 8,201,790 | $ 8,993,432 | $ 9,626,746 | $ 11,349,397 | $ 12,727,517 | $ 13,830,014 | $ 14,712,011 | $ 15,417,609 | $ 15,982,086 |
| Total CWIP | $ 6,593,807 | $ 8,909,244 | $ 10,684,667 | $ 12,051,158 | $ 13,106,656 | $ 13,924,670 | $ 16,485,943 | $ 18,451,100 | $ 19,964,522 | $ 21,134,167 | $ 22,041,118 | $ 22,746,542 |
| Plant in Service | | | | | | | | | | | | |
| Intangible Plant | $ 4,661,980 | $ 5,919,386 | $ 7,407,570 | $ 9,057,299 | $ 10,820,110 | $ 12,662,077 | $ 14,863,454 | $ 17,316,418 | $ 19,945,493 | $ 22,697,845 | $ 25,536,492 | $ 28,435,544 |
| General Plant Other | $ 5,810,880 | $ 7,304,704 | $ 9,107,763 | $ 11,158,211 | $ 13,406,569 | $ 15,813,255 | $ 18,650,604 | $ 21,832,484 | $ 25,289,987 | $ 28,967,990 | $ 32,822,392 | $ 36,817,914 |
| Total Plant in Service | $ 10,472,860 | $ 13,224,090 | $ 16,515,334 | $ 20,215,510 | $ 24,226,679 | $ 28,475,332 | $ 33,514,059 | $ 39,148,902 | $ 45,235,480 | $ 51,665,835 | $ 58,358,864 | $ 65,253,458 |
| Accumulated Depreciation | | | | | | | | | | | | |
| Intangible Plant | $ (263,362) | $ (351,700) | $ (437,770) | $ (544,106) | $ (672,481) | $ (824,137) | $ (1,001,906) | $ (1,209,734) | $ (1,450,384) | $ (1,725,789) | $ (2,037,302) | $ (2,385,871) |
| General Plant Other | $ (343,209) | $ (427,914) | $ (533,911) | $ (664,796) | $ (823,443) | $ (1,012,155) | $ (1,234,734) | $ (1,496,187) | $ (1,800,520) | $ (2,150,936) | $ (2,549,999) | $ (2,999,759) |
| Total Accumulated Depreciation | $ (626,572) | $ (779,614) | $ (971,681) | $ (1,208,901) | $ (1,495,924) | $ (1,836,291) | $ (2,236,639) | $ (2,705,921) | $ (3,250,903) | $ (3,876,724) | $ (4,587,301) | $ (5,385,630) |

**Operating Expenses**

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| O&M Expense | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,667 | $ 416,663 |
| Depreciation Expense | | | | | | | | | | | | |
| Intangible Plant | $ 54,226 | $ 68,338 | $ 86,070 | $ 106,336 | $ 128,375 | $ 151,656 | $ 177,769 | $ 207,828 | $ 240,650 | $ 275,405 | $ 311,513 | $ 348,569 |
| General Plant Other | $ 67,906 | $ 84,705 | $ 105,997 | $ 130,884 | $ 158,648 | $ 188,711 | $ 222,579 | $ 261,453 | $ 304,333 | $ 350,416 | $ 399,063 | $ 449,760 |
| Total Depreciation Expense | $ 122,132 | $ 153,043 | $ 192,067 | $ 237,220 | $ 287,022 | $ 340,367 | $ 400,348 | $ 469,282 | $ 544,982 | $ 625,821 | $ 710,576 | $ 798,330 |

EXHIBIT___(LK-23)

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Tenth Set of Interrogatories**
**Interrogatory No. 284**
**Page 1 of 1**

Q.
Regarding Schedule C-8 for the 2010 test year, page 1:28 and page 3:26-32. Please provide a more detailed explanation for the variance in account 903 for 2010 compared to 2009 than provided in Reason J. The explanation should include a description of why there is an increase in expense for a new Customer Information System ("CIS") rather than capitalization of the amounts to a plant account.

A.
Projected increase in spending in 2010 can be mainly attributed to cost associated with the CISII system replacement project. Some of the project costs in 2010 which will be expensed (as opposed to capitalized) in accordance with SOP-98 (**Statement of Position (SOP) 98-1: Accounting for the Costs of Computer Software**) include: 1) Preparation of detailed project plan; 2) Review of scope and preliminary project requirements; 3) Approval of Scoping Study documentation; and 4) Start preparing for data conversion.

**EXHIBIT___(LK-24)**

Exhibit___(LK-24)
Page 1 of 1

**FLORIDA POWER AND LIGHT**
**SFHHA ADJUSTMENTS TO REFLECT DEFERRAL OF CIS O&M EXPENSE**
**TEST YEAR ENDING DECEMBER 31, 2010**
**($ MILLIONS)**

Source: SFHHA Interrogatories 287 and 288

| | |
|---|---|
| CIS Reflected as O&M in Test Year | 7.250 |
| Grossed Up for Bad Debt Expense and Regulatory Assessment Fee | 100.33% |
| CIS Reflected as O&M in Test Year Grossed Up | 7.274 |
| | |
| Increase to Rate Base to Capitalize or Defer O&M Costs | 7.250 |
| Average Increase to Rate Base in Test Year | 3.625 |
| FPL Filed Grossed Up Rate of Return | 11.80% |
| Revenue Requirement Effect of Capitalization/Deferral | 0.428 |

EXHIBIT___(LK-25)

# FLORIDA POWER AND LIGHT
## SFHHA CAPITAL EXPENDITURE REDUCTIONS
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

Source: Response to SFHHA Inter 279 and Depreciation Study Exhibit CRC-1 Page 49 of 720

| | 2009 Budget | 2009 Actual | Reduction |
|---|---|---|---|
| January-09 | 235 | 167 | (68) |
| February-09 | 200 | 127 | (73) |
| March-09 | 237 | 242 | 5 |
| April-09 | 225 | 191 | (34) |
| Total First Four Months | 897 | 727 | (170) |
| Percentage Reduction First Four Months | | | -19.0% |
| Total Annual Budget for 2009 | | | 2,790 |

| | 2009 | 2010 | Total |
|---|---|---|---|
| Total Annual Capital Reduction for 2009 | (529) | - | (529) |
| Average Capital Reduction for 2010 | | (264) | (264) |
| Total Test Year Capital Reduction | (529) | (264) | (793) |
| Jurisdictional Allocation for Gross Plant - Schedule B-1 | 0.988940 | 0.988940 | |
| Jurisdictional Test Year Capital Reduction | (523) | (261) | (784) |
| FPL Filed Grossed Up Rate of Return | 11.80% | 11.80% | |
| Revenue Requirement Effect of Capital Expenditure Reduction-Gross Plant | (61.719) | (30.801) | (92.520) |
| Composite Depreciation Rate - Based on FPL Remaining Life Method | 3.39% | 3.39% | |
| Reduction in Depreciation Expense - Total Company | (17.933) | (8.950) | (26.883) |
| Jurisdictional Allocation for Gross Plant - Schedule C-1 | 0.990615 | 0.990615 | 0.990615 |
| Jurisdictional Reduction in Depreciation Expense | (17.765) | (8.866) | (26.630) |
| Annual Accumulated Depreciation Reduction | 17.765 | 8.866 | |
| Time Period To Apply Reduction | 1.5 Years | .5 Years | |
| Accumulated Depreciation Reduction - Increase to Rate Base | 26.647 | 4.433 | 31.080 |
| FPL Filed Grossed Up Rate of Return | 11.80% | 11.80% | |
| Revenue Requirement Effect of Accumulated Depreciation Reduction | 3.145 | 0.523 | 3.668 |
| Total Revenue Requirement Effect of Capital Cost Reductions | (76.340) | (39.143) | (115.483) |

EXHIBIT___(LK-26)

## Florida Power & Light Company

Table 5. Comparison of Theoretical Reserve and Book Reserve based on Plant in Service as of December 31, 2009

| | Original Cost (1) | Theoretical Reserve (2) | Book Reserve (3) | Reserve Variance (4) = (3) - (2) |
|---|---|---|---|---|
| **Steam** | | | | |
| 311 Structures & Improvements | 607,363,884 | 371,032,445 | 450,480,572 | 79,448,127 |
| 312 Boiler Plant Equipment | 1,520,058,000 | 827,286,045 | 1,022,923,266 | 195,637,221 |
| 314 Turbogenerator Units | 656,903,762 | 324,858,642 | 420,826,473 | 95,967,831 |
| 315 Accessory Electric Equipment | 215,129,268 | 118,935,460 | 150,422,294 | 31,486,834 |
| 316 Miscellaneous Equipment | 37,208,440 | 20,480,939 | 28,051,100 | 7,570,161 |
| **Total Steam** | 3,036,663,354 | 1,662,593,531 | 2,072,703,705 | 410,110,174 |
| **Nuclear** | | | | |
| 321 Structures & Improvements | 1,174,690,191 | 563,046,279 | 661,926,379 | 98,880,100 |
| 322 Reactor Plant Equipment | 1,862,733,318 | 694,663,703 | 855,060,882 | 160,397,179 |
| 323 Turbogenerator Units | 282,505,086 | 126,028,876 | 186,406,688 | 60,377,812 |
| 324 Accessory Electric Equipment | 561,096,429 | 322,433,151 | 362,757,426 | 40,324,275 |
| 325 Miscellaneous Equipment | 89,467,913 | 37,498,895 | 55,026,788 | 17,527,893 |
| **Total Nuclear** | 3,970,492,937 | 1,743,670,904 | 2,121,178,163 | 377,507,259 |
| **Combined Cycle** | | | | |
| 341 Structures & Improvements | 368,040,843 | 179,939,429 | 159,404,481 | (20,534,948) |
| 342 Fuel Holders, Producers & Accessories | 82,917,606 | 37,534,832 | 41,033,160 | 3,498,328 |
| 343 Prime Movers | 2,893,397,511 | 753,421,499 | 801,742,016 | 48,320,517 |
| 344 Generators | 322,410,125 | 136,588,910 | 105,796,420 | (30,792,490) |
| 345 Accessory Electric Equipment | 399,746,476 | 153,152,145 | 172,286,784 | 19,134,639 |
| 346 Misc. Power Plant Equipment | 49,873,002 | 16,965,625 | 23,284,289 | 6,318,664 |
| **Total Combined Cycle** | 4,116,385,564 | 1,277,602,440 | 1,303,547,150 | 25,944,710 |
| **Combustion Turbine** | | | | |
| 341 Structures & Improvements | 13,869,690 | 12,464,080 | 12,046,516 | (417,564) |
| 342 Fuel Holders, Producers & Accessories | 15,203,834 | 10,513,390 | 15,585,942 | 5,072,552 |
| 343 Prime Movers | 112,800,506 | 62,987,847 | 91,301,391 | 28,313,544 |
| 344 Generators | 51,167,664 | 46,554,280 | 42,187,783 | (4,366,497) |
| 345 Accessory Electric Equipment | 22,215,820 | 12,853,378 | 12,286,406 | (566,972) |
| 346 Misc. Power Plant Equipment | 421,309 | 378,083 | 370,806 | (7,277) |
| **Total Combustion Turbine** | 215,678,824 | 145,751,058 | 173,778,844 | 28,027,786 |
| **T, D and G** | | | | |
| Transmission | 3,122,536,022 | 1,048,319,348 | 1,032,681,912 | (15,637,436) |
| Distribution | 10,050,556,895 | 3,559,394,856 | 3,899,924,205 | 340,529,349 |
| General | 672,093,362 | 232,057,078 | 310,935,651 | 78,878,573 |
| **Total T, D and G** | 13,845,186,279 | 4,839,771,282 | 5,243,541,768 | 403,770,486 |
| **TOTAL PLANT IN SERVICE** | 25,184,406,958 | 9,669,389,215 | 10,914,749,630 | 1,245,360,415 |

Note: The book reserve shown includes the allocation of the $500 M Depreciation Expense Credit

**EXHIBIT___(LK-27)**

# FLORIDA POWER AND LIGHT
## SFHHA AMORTIZATION OF DEPRECIATION RESERVE SURPLUS
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

Source: Depreciation Study Exhibit CRC-1 Page 53 of 720

| | |
|---|---|
| Depreciation Reserve Surplus at January 1, 2010 | 1,245.360 |
| Amortization Period Recommended by SFHHA | 5 Years |
| Annual Depreciation Expense Reduction | (249.072) |
| Jurisdictional Allocation for Depreciation - Schedule C-1 | 0.990615 |
| Jurisdictional Depreciation Reduction | (246.735) |
| | |
| Annual Accumulated Depreciation Reduction | 246.735 |
| Time Period To Apply Reduction | .5 Years |
| Accumulated Depreciation Reduction - Increase to Rate Base | 123.367 |
| FPL Filed Grossed Up Rate of Return | 11.80% |
| Revenue Requirement Effect of Accumulated Depreciation Reduction | 14.559 |
| | |
| Total Revenue Requirement Effect of Amortization of Depr Reserve Surplus | (232.176) |

EXHIBIT___(LK-28)

**FLORIDA POWER AND LIGHT**
**SFHHA ADJUSTMENTS TO COMPANY PROPOSED CAPITAL COSTS RECOVERY OVER FOUR YEARS**
**TEST YEAR ENDING DECEMBER 31, 2010**
**($ MILLIONS)**

Source: Depreciation Study Exhibit CRC-1 Pages 55 *through* 57 of 720 and page 39 of 720

| | Unrecovered Costs | FPL's Amortization Period | FPL Annual Depr | SFHHA Amortization Period or Rate | SFHHA Annual Depr | SFHHA Depr Reduction |
|---|---|---|---|---|---|---|
| Unrecovered Costs of Cape Canaveral at January 1, 2010 | | | | | | |
| Cape Canaveral Common | 3.539 | 4 | 0.885 | 0 | - | (0.885) |
| Cape Canaveral Unit 1 | 23.148 | 4 | 5.787 | 0 | - | (5.787) |
| Cape Canaveral Unit 2 | 8.616 | 4 | 2.154 | 0 | - | (2.154) |
| Unrecovered Costs of Cape Canaveral at January 1, 2010 | | | | | | |
| Riviera Common | 0.057 | 4 | 0.014 | 0 | - | (0.014) |
| Riviera Unit 1 | 5.664 | 4 | 1.416 | 0 | - | (1.416) |
| Riviera Unit 2 | 3.883 | 4 | 0.971 | 0 | - | (0.971) |
| Unrecovered Costs of Nuclear Uprates at January 1, 2010 | | | | | | |
| St. Lucie Unit 1 | 40.821 | 4 | 10.205 | 27 | 1.512 | (8.693) |
| St. Lucie Unit 2 | 37.448 | 4 | 9.362 | 34 | 1.101 | (8.261) |
| Turkey Point Common | 2.149 | 4 | 0.537 | 24 | 0.090 | (0.448) |
| Turkey Point Unit 3 | 43.931 | 4 | 10.983 | 23 | 1.910 | (9.073) |
| Turkey Point Unit 4 | 43.886 | 4 | 10.972 | 24 | 1.829 | (9.143) |
| Unrecovered Costs of Acct 370 Meters Made Obsolete by AMI | 101.082 | 4 | 25.270 | 3.26% | 8.120 | (17.151) |
| Total Unrecovered Costs at January 1, 2010 | 314.223 | | 78.556 | | 14.561 | (63.994) |
| Jurisdictional Allocation for Depreciation - Schedule C-1 | | | | | | 0.990615 |
| Jurisdictional Depreciation Reduction | | | | | | (63.394) |
| Gross Cost of Meters Used in AMI Change Computation Above | 249.077 | | | | | |

**EXHIBIT___(LK-29)**

THIS FILING IS

Item 1: [X] An Initial (Original) Submission OR [ ] Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 2/29/2009)
Form 1-F Approved
OMB No. 1902-0029
(Expires 2/28/2009)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 2/28/2009)

# FERC FINANCIAL REPORT
# FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

| Exact Legal Name of Respondent (Company) | Year/Period of Report |
|---|---|
| Florida Power & Light Company | End of 2008/Q4 |

FERC FORM No.1/3-Q (REV. 02-04)

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Florida Power & Light Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2008/Q4 |

## STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: *Putnam* (b) | | | Plant Name: *Sanford* (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | Combined Cycle | | | Combined Cycle | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | Full Outdoor | | | Conventional | | |
| 3 | Year Originally Constructed | 1977 | | | 2002 | | |
| 4 | Year Last Unit was Installed | 1978 | | | 2003 | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 580.00 | | | 2378.00 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 506 | | | 2105 | | |
| 7 | Plant Hours Connected to Load | 4268 | | | 8773 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 0 | | | 0 | | |
| 9 | When Not Limited by Condenser Water | 496 | | | 1907 | | |
| 10 | When Limited by Condenser Water | 478 | | | 1788 | | |
| 11 | Average Number of Employees | 36 | | | 55 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 1168216000 | | | 10673778000 | | |
| 13 | Cost of Plant: Land and Land Rights | 37983 | | | 2612675 | | |
| 14 | Structures and Improvements | 11535532 | | | 73673781 | | |
| 15 | Equipment Costs | 176618382 | | | 650920220 | | |
| 16 | Asset Retirement Costs | 0 | | | 0 | | |
| 17 | Total Cost | 188191897 | | | 727206676 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 324.4688 | | | 305.8060 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 1149870 | | | 1195533 | | |
| 20 | *Fuel* | 122839246 | | | 808475919 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 839435 | | | 1113514 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 844136 | | | 1939060 | | |
| 27 | Rents | 0 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 500366 | | | 776444 | | |
| 30 | Maintenance of Structures | 592560 | | | 319115 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 1336920 | | | 5253737 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 57450 | | | 362630 | | |
| 34 | Total Production Expenses | 128159983 | | | 819435952 | | |
| 35 | Expenses per Net KWh | 0.1097 | | | 0.0768 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | Oil | Gas | | Gas | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | Barrels | Mcf | | Mcf | | |
| 38 | Quantity (Units) of Fuel Burned | 690 | 11371948 | 0 | 76417286 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 138310 | 1031325 | 0 | 1031885 | 0 | 0 |
| 40 | *Avg Cost of Fuel/unit, as Delvd f.o.b. during year* | 66.296 | 10.798 | 0.000 | 10.580 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 66.296 | 10.798 | 0.000 | 10.580 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 11.413 | 10.798 | 0.000 | 10.580 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.000 | 0.105 | 0.000 | 0.076 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 0.000 | 10043.000 | 0.000 | 7388.000 | 0.000 | 0.000 |

**EXHIBIT___(LK-30)**

## Florida Power & Light Company

**Table 13. Comparison of Existing and Proposed Remaining Life Depreciation Rates based on Electric Generation Plant in Service as of December 31, 2009**

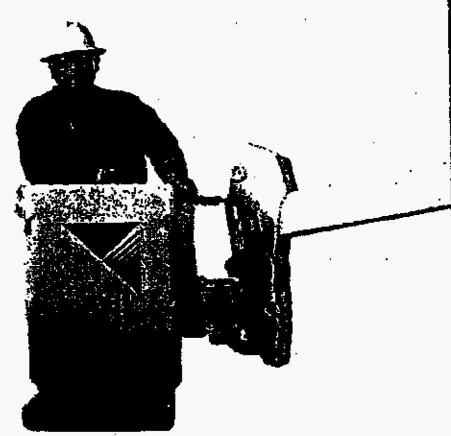
| | Original Cost (1) | Book Reserve (2) | Existing Net Salvage (3) | Existing Annual Depreciation Rate (4) | Existing Annual Depreciation Amount (5) | Proposed Life Span Date (6) | Proposed Survivor Curve (7) | Proposed Net Salvage (8) | Proposed Annual Depreciation Rate (9) | Proposed Annual Depreciation Amount (10) | Increase/ Decrease (11) = (10) - (5) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **COMBINED CYCLE PRODUCTION PLANT** | | | | | | | | | | | |
| *Putnam Combined Cycle Plant* | | | | | | | | | | | |
| *Putnam Common* | | | | | | | | | | | |
| 341 Structures & Improvements | 12,728,938 | 9,449,327 | (2) | 4.10 | 521,688 | 6-2020 | 25 - R5 | (12) | 18.97 | 2,414,572 | 1,892,886 |
| 342 Fuel Holders, Producers & Accessories | 11,435,670 | 8,470,029 | 0 | 3.70 | 423,120 | 6-2020 | 22 - R3 | (3) | 2.97 | 339,209 | (83,911) |
| 343 Prime Movers | 20,146,555 | 11,834,606 | 0 | 6.30 | 1,269,233 | 6-2020 | 50 - R1 (a) | (2) | 4.17 | 840,832 | (428,401) |
| 344 Generators | 170,569 | 47,851 | (1) | 3.80 | 6,482 | 6-2020 | 30 - R5 | (11) | 8.04 | 13,712 | 7,230 |
| 345 Accessory Electric Equipment | 1,523,348 | 1,111,982 | (1) | 4.20 | 63,981 | 6-2020 | 28 - R4 | (3) | 6.24 | 95,007 | 31,026 |
| 346 Misc. Power Plant Equipment | 1,440,520 | 981,618 | 0 | 3.70 | 53,299 | 6-2020 | 22 - R4 | 0 | 7.09 | 102,062 | 48,763 |
| *Total Putnam Common* | *47,445,598* | *31,895,293* | | | *2,338,001* | | | | | *3,805,394* | *1,467,393* |
| *Putnam Unit 1* | | | | | | | | | | | |
| 341 Structures & Improvements | 38,646 | 31,993 | (2) | 4.50 | 1,735 | 6-2020 | 25 - R5 | (12) | 17.72 | 6,832 | 5,097 |
| 342 Fuel Holders, Producers & Accessories | 68,735 | 56,084 | 0 | 4.10 | 2,818 | 6-2020 | 22 - R3 | (3) | 3.64 | 2,499 | (319) |
| 343 Prime Movers | 61,302,516 | 42,334,924 | 0 | 5.20 | 3,187,731 | 6-2020 | 50 - R1 (a) | (2) | 3.03 | 1,859,389 | (1,328,342) |
| 344 Generators | 7,708,123 | 5,576,593 | (1) | 5.40 | 416,239 | 6-2020 | 30 - R5 | (11) | 6.34 | 488,792 | 72,553 |
| 345 Accessory Electric Equipment | 7,169,774 | 5,892,353 | (1) | 4.30 | 307,870 | 6-2020 | 28 - R4 | (3) | 3.32 | 237,861 | (70,009) |
| 346 Misc. Power Plant Equipment | 407,803 | 332,744 | 0 | 4.10 | 16,720 | 6-2020 | 22 - R4 | 0 | 7.81 | 31,836 | 15,116 |
| *Total Putnam Unit 1* | *76,685,497* | *54,224,691* | | | *3,933,113* | | | | | *2,627,209* | *(1,305,904)* |
| *Putnam Unit 2* | | | | | | | | | | | |
| 341 Structures & Improvements | 38,546 | 27,826 | (2) | 4.40 | 1,696 | 6-2020 | 25 - R5 | (12) | 28.44 | 10,964 | 9,268 |
| 342 Fuel Holders, Producers & Accessories | 68,672 | 46,851 | 0 | 4.10 | 2,816 | 6-2020 | 22 - R3 | (3) | 7.19 | 4,935 | 2,119 |
| 343 Prime Movers | 59,898,462 | 39,499,582 | 0 | 5.40 | 3,234,409 | 6-2020 | 50 - R1 (a) | (2) | 3.47 | 2,078,665 | (1,155,744) |
| 344 Generators | 7,979,237 | 6,074,669 | (1) | 6.60 | 526,630 | 6-2020 | 30 - R5 | (11) | 4.61 | 368,010 | (158,620) |
| 345 Accessory Electric Equipment | 7,332,410 | 5,184,098 | (1) | 4.20 | 307,961 | 6-2020 | 28 - R4 | (3) | 7.92 | 581,068 | 273,107 |
| 346 Misc. Power Plant Equipment | 392,093 | 278,918 | 0 | 4.10 | 16,076 | 6-2020 | 22 - R4 | 0 | 17.51 | 68,668 | 52,592 |
| *Total Putnam Unit 2* | *75,707,420* | *51,113,944* | | | *4,089,588* | | | | | *3,112,310* | *(977,278)* |
| *Total Putnam Combined Cycle Plant* | *199,838,515* | *137,233,928* | | | *10,360,702* | | | | | *9,544,913* | *(815,789)* |

EXHIBIT___(LK-31)

*Let's turn the answers*

# 2008 Integrated Resource Plan

## Volume I



PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

**May 28, 2009**

Pacific Power | Rocky Mountain Power | PacifiCorp Energy

## Table 6.2 – East Side Supply-Side Resource Options

| | Location / Timing | | Plant Details | | | Outage Information | | Costs | | | | Emissions | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Installation | Earliest In-Service Date | Average Capacity | Design Plant Life | Annual Heat Rate | Maint. Outage | Equivalent Forced Outage | Low Estimate Capital Cost | High Estimate Capital Cost | Var O&M | Fixed O&M | SO2 | NOx | Hg | CO2 |
| Description | Location | Mid-Year | (MW) | in Years | BTU/kWh | Rate | Rate (EFOR) | ($/kW) | ($/kW) | ($/MWh) | ($/kw-yr) | lbs/MMBTU | lbs/MMBTU | lbs/TBtu | lbs/MMBTU |
| **East Side Options (4500')** | | | | | | | | | | | | | | | |
| **Coal** | | | | | | | | | | | | | | | |
| Utah PC without Carbon Capture & Sequestration | Utah | 2020 | 600 | 40 | 9,106 | 5% | 4% | 2,788 | 3,521 | $ 0.96 | $ 38.80 | 0.100 | 0.070 | 0.40 | 205.35 |
| Utah PC with Carbon Capture & Sequestration | Utah | 2025 | 526 | 40 | 12,087 | 5% | 5% | 5,040 | 6,367 | $ 6.71 | $ 66.07 | 0.050 | 0.020 | 0.20 | 20.54 |
| Utah IGCC with Carbon Capture & Sequestration | Utah | 2025 | 466 | 40 | 10,823 | 7% | 8% | 4,880 | 6,164 | $ 11.28 | $ 53.24 | 0.050 | 0.011 | 0.04 | 20.54 |
| Wyoming PC without Carbon Capture & Sequestration | Wyoming | 2020 | 790 | 40 | 9,214 | 5% | 4% | 3,156 | 3,987 | $ 1.27 | $ 36.00 | 0.100 | 0.070 | 0.60 | 205.35 |
| Wyoming PC with Carbon Capture & Sequestration | Wyoming | 2025 | 692 | 40 | 13,242 | 5% | 5% | 5,707 | 7,209 | $ 7.36 | $ 61.37 | 0.050 | 0.020 | 0.30 | 20.54 |
| Wyoming IGCC with Carbon Capture & Sequestration | Wyoming | 2025 | 456 | 40 | 11,047 | 7% | 8% | 5,525 | 6,979 | $ 13.52 | $ 58.00 | 0.050 | 0.011 | 0.06 | 20.54 |
| Existing PC with Carbon Capture & Sequestration (500 MW) | UT / WY | 2025 | (139) | 20 | 14,372 | 5% | 5% | 1,253 | 1,583 | $ 6.71 | $ 66.07 | 0.050 | 0.011 | 0.30 | 20.54 |
| **Natural Gas** | | | | | | | | | | | | | | | |
| Utility Cogeneration | Utah | 2011 | 10 | 25 | 4,974 | 10% | 8% | 4,822 | 6,091 | $ 23.29 | $ 1.46 | - | - | 0.26 | 118.00 |
| Fuel Cell - Large | Utah | 2013 | 5 | 25 | 7,262 | 2% | 3% | 1,704 | 2,153 | $ 0.03 | $ 8.40 | 0.001 | - | 0.26 | 118.00 |
| SCCT Aero | Utah | 2012 | 118 | 30 | 9,773 | 4% | 3% | 1,070 | 1,351 | $ 5.63 | $ 9.95 | 0.001 | 0.011 | 0.26 | 118.00 |
| Intercooled Aero SCCT | Utah | 2012 | 174 | 30 | 9,402 | 4% | 3% | 999 | 1,262 | $ 2.71 | $ 4.04 | 0.001 | 0.011 | 0.26 | 118.00 |
| Intercooled Aero SCCT | Utah | 2012 | 261 | 30 | 9,402 | 4% | 3% | 999 | 1,262 | $ 2.71 | $ 4.04 | 0.001 | 0.011 | 0.26 | 118.00 |
| Intercooled Aero SCCT | Wyoming | 2013 | 241 | 30 | 9,402 | 4% | 3% | 1,083 | 1,368 | $ 2.94 | $ 4.39 | 0.001 | 0.011 | 0.26 | 118.00 |
| Internal Combustion Engines | Utah | 2009 | 153 | 30 | 8,500 | 5% | 1% | 1,258 | 1,589 | $ 5.20 | $ 12.80 | 0.001 | 0.017 | 0.26 | 118.00 |
| SCCT Frame (2 Frame "F") | Utah | 2012 | 302 | 35 | 11,659 | 4% | 3% | 710 | 897 | $ 4.47 | $ 3.74 | 0.001 | 0.050 | 0.26 | 118.00 |
| SCCT Frame (2 Frame "F") | Wyoming | 2012 | 275 | 35 | 11,659 | 4% | 3% | 770 | 972 | $ 4.85 | $ 4.05 | 0.001 | 0.050 | 0.26 | 118.00 |
| CCCT (Wet "F" 1x1) | Utah | 2013 | 222 | 40 | 7,302 | 4% | 3% | 1,298 | 1,640 | $ 2.91 | $ 12.79 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 1x1) | Utah | 2013 | 50 | 40 | 8,869 | 4% | 3% | 530 | 669 | $ 0.39 | $ 1.60 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "F" 2x1) | Utah | 2013 | 506 | 40 | 7,098 | 4% | 3% | 1,182 | 1,493 | $ 2.94 | $ 7.77 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 2x1) | Utah | 2013 | 64 | 40 | 8,557 | 4% | 3% | 596 | 753 | $ 0.39 | $ 1.60 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Dry "F" 2x1) | Utah | 2017 | 438 | 40 | 7,368 | 4% | 3% | 1,212 | 1,530 | $ 3.35 | $ 9.69 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Dry "F" 2x1) | Utah | 2017 | 98 | 40 | 8,950 | 4% | 3% | 611 | 772 | $ 0.11 | $ 1.60 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "G" 1x1) | Utah | 2013 | 333 | 40 | 6,884 | 4% | 3% | 1,227 | 1,550 | $ 4.56 | $ 6.75 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "G" 1x1) | Utah | 2013 | 72 | 40 | 9,021 | 4% | 3% | 520 | 656 | $ 0.36 | $ 1.63 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced (Wet) | Utah | 2018 | 400 | 40 | 6,760 | 4% | 3% | 1,355 | 1,712 | $ 4.56 | $ 6.75 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced Duct Firing (Wet) | Utah | 2018 | 75 | 40 | 9,021 | 4% | 3% | 665 | 840 | $ 0.36 | $ 1.63 | 0.001 | 0.011 | 0.26 | 118.00 |
| **Other - Renewables** | | | | | | | | | | | | | | | |
| East (Wyoming) Wind (35% CF) | Wyoming | 2010 | 100 | 25 | n/a | n/a | n/a | 2,215 | 2,954 | - | $ 31.43 | - | - | - | - |
| East Side Geothermal (Blundell) | Utah | 2013 | 35 | 40 | n/a | 5% | 5% | 5,782 | 7,304 | $ 5.94 | $ 110.85 | - | - | - | - |
| East Side Geothermal (Green Field) | Utah | 2013 | 35 | 40 | n/a | 5% | 5% | 5,782 | 7,304 | $ 5.94 | $ 110.85 | - | - | - | - |
| Battery Storage | Utah | 2014 | 5 | 30 | 12,000 | 2% | 5% | 1,980 | 2,501 | $ 10.00 | $ 1.00 | 0.100 | 0.400 | 3.00 | 205.35 |
| Pumped Storage | Nevada | 2018 | 350 | 50 | 13,000 | 5% | 5% | 1,684 | 2,127 | $ 4.30 | $ 4.30 | 0.100 | 0.400 | 3.00 | 205.35 |
| Compressed Air Energy Storage (CAES) | Wyoming | 2015 | 350 | 30 | 11,980 | 4% | 3% | 1,483 | 1,873 | $ 5.50 | $ 3.80 | 0.001 | 0.011 | 0.26 | 118.00 |
| Recovered Energy Generation (CHP) | UT / WY | 2011 | 12 | 30 | - | 8% | 8% | 5,500 | 5,500 | - | $ 91.92 | - | - | - | - |
| Nuclear | Utah | 2025 | 1,600 | 40 | 10,710 | 7% | 8% | 5,188 | 6,553 | $ 1.63 | $ 146.70 | - | - | - | - |
| Solar Concentrating (PV) - 30% CF | Utah | 2015 | 10 | 20 | n/a | n/a | n/a | 6,194 | 7,824 | - | $ 180.00 | - | - | - | - |
| Solar Concentrating (natural gas backup) - 25% solar | Utah | 2015 | 250 | 20 | n/a | n/a | n/a | 3,943 | 4,980 | - | $ 195.60 | - | - | - | - |
| Solar Concentrating (thermal storage) - 30% solar | Utah | 2012 | 250 | 30 | n/a | n/a | n/a | 4,418 | 5,580 | - | $ 139.50 | - | - | - | - |



Docket No. 080677-EI
2008 Integrated Resource Plan
Exhibit __(LK-31), Page 2 of 3

## Table 6.3 – West Side Supply-Side Resource Options

| | Location / Timing | | Plant Details | | | Outage Information | | Costs | | | | Emissions | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | Installation Location | Earliest In-Service Date Mid-Year | Average Capacity (MW) | Design Plant Life in Years | Annual Heat Rate BTU/kWh | Maint. Outage Rate | Equivalent Forced Outage Rate (EFOR) | Low Estimate Capital Cost ($/kW) | High Estimate Capital Cost ($/kW) | Var O&M ($/MWh) | Fixed O&M ($/kW-yr) | SO2 lbs/MMBtu | NOx lbs/MMBtu | Hg lbs/TBtu | CO2 lbs/MMBtu |
| **West Side Options (1500')** | | | | | | | | | | | | | | | |
| **Natural Gas** | | | | | | | | | | | | | | | |
| Fuel Cell - Large | Northwest | 2013 | 5 | 25 | 7,262 | 2% | 3% | 1,704 | 2,153 | $ 0.03 | $ 8.40 | 0.001 | - | 0.26 | 118.00 |
| SCCT Aero | Northwest | 2012 | 130 | 30 | 9,773 | 4% | 3% | 972 | 1,228 | $ 5.12 | $ 9.04 | 0.001 | 0.011 | 0.26 | 118.00 |
| Intercooled Aero SCCT | Northwest | 2012 | 207 | 30 | 9,402 | 4% | 3% | 906 | 1,147 | $ 2.46 | $ 3.68 | 0.001 | 0.011 | 0.26 | 118.00 |
| Internal Combustion Engines | Northwest | 2012 | 168 | 30 | 8,500 | 5% | 1% | 1,143 | 1,444 | $ 5.20 | $ 12.80 | 0.001 | 0.017 | 0.26 | 118.00 |
| SCCT Frame (2 Frame "F") | Northwest | 2012 | 338 | 35 | 11,659 | 4% | 3% | 645 | 815 | $ 4.07 | $ 3.40 | 0.001 | 0.050 | 0.26 | 118.00 |
| CCCT (Wet "F" 1x1) | Northwest | 2013 | 244 | 40 | 7,302 | 4% | 3% | 1,180 | 1,491 | $ 2.67 | $ 11.62 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 1x1) | Northwest | 2013 | 55 | 40 | 8,869 | 4% | 3% | 482 | 608 | $ 0.36 | $ 1.45 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "F" 2x1) | Northwest | 2013 | 557 | 40 | 7,098 | 4% | 3% | 1,074 | 1,357 | $ 2.67 | $ 7.07 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 2x1) | Northwest | 2013 | 70 | 40 | 8,557 | 4% | 3% | 542 | 685 | $ 0.36 | $ 1.45 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "G" 1x1) | Northwest | 2013 | 367 | 40 | 6,884 | 4% | 3% | 1,116 | 1,409 | $ 4.14 | $ 6.13 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "G" 1x1) | Northwest | 2013 | 80 | 40 | 9,021 | 4% | 3% | 472 | 597 | $ 0.33 | $ 1.48 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced (Wet) | Northwest | 2018 | 440 | 40 | 6,760 | 4% | 3% | 1,232 | 1,556 | $ 4.14 | $ 6.13 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced Duct Firing (Wet) | Northwest | 2018 | 83 | 40 | 9,021 | 4% | 3% | 605 | 764 | $ 0.33 | $ 1.48 | 0.001 | 0.011 | 0.26 | 118.00 |
| **Other - Renewables** | | | | | | | | | | | | | | | |
| West Wind | Northwest | 2010 | 50 | 25 | n/a | n/a | n/a | 2,350 | 3,134 | - | $ 31.43 | - | - | - | - |
| Biomass | Northwest | 2015 | 50 | 30 | 10,979 | 5% | 4% | 3,179 | 4,016 | $ 0.96 | $ 38.00 | 0.100 | 0.350 | 0.40 | 205.39 |
| West Side Geothermal (Green Field) | Northwest | 2013 | 35 | 40 | n/a | 5% | 5% | 5,782 | 7,304 | $ 5.94 | $ 110.85 | - | - | - | - |
| Compressed Air Energy Storage (CAES) | Northwest | 2015 | 385 | 30 | 11,980 | 4% | 3% | 1,483 | 1,873 | $ 5.00 | $ 3.45 | 0.001 | 0.011 | 0.26 | 118.00 |
| Hydrokinetic (Wave) - 21% CF | Northwest | 2015 | 100 | 20 | n/a | n/a | n/a | 5,700 | 7,200 | - | $ 180.00 | - | - | - | - |
| **West Side Options (Sea Level)** | | | | | | | | | | | | | | | |
| **Natural Gas** | | | | | | | | | | | | | | | |
| Fuel Cell - Large | Northwest | 2013 | 5 | 25 | 7,262 | 2% | 3% | 1,704 | 2,153 | $ 0.03 | $ 8.40 | 0.001 | - | 0.26 | 118.00 |
| SCCT Aero | Northwest | 2012 | 136 | 30 | 9,771 | 2% | 3% | 924 | 1,167 | $ 4.87 | $ 8.59 | 0.001 | 0.011 | 0.26 | 118.00 |
| Intercooled Aero SCCT | Northwest | 2012 | 302 | 30 | 9,402 | 4% | 3% | 863 | 1,090 | $ 2.35 | $ 3.49 | 0.001 | 0.011 | 0.26 | 118.00 |
| Internal Combustion Engines | Northwest | 2012 | 177 | 30 | 8,900 | 4% | 1% | 1,066 | 1,372 | $ 5.20 | $ 12.80 | 0.001 | 0.017 | 0.26 | 118.00 |
| SCCT Frame (2 Frame "F") | Northwest | 2012 | 356 | 35 | 11,659 | 5% | 3% | 613 | 774 | $ 3.87 | $ 3.23 | 0.001 | 0.050 | 0.26 | 118.00 |
| CCCT (Wet "F" 1x1) | Northwest | 2013 | 237 | 40 | 7,302 | 4% | 3% | 1,121 | 1,416 | $ 2.55 | $ 11.07 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 1x1) | Northwest | 2013 | 58 | 40 | 8,869 | 4% | 3% | 458 | 578 | $ 0.34 | $ 1.38 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "F" 2x1) | Northwest | 2013 | 586 | 40 | 7,098 | 4% | 3% | 1,020 | 1,289 | $ 2.55 | $ 6.73 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "F" 2x1) | Northwest | 2013 | 74 | 40 | 8,557 | 4% | 3% | 515 | 650 | $ 0.34 | $ 1.38 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT (Wet "G" 1x1) | Northwest | 2013 | 386 | 40 | 6,884 | 4% | 3% | 1,060 | 1,339 | $ 3.94 | $ 5.84 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Duct Firing (Wet "G" 1x1) | Northwest | 2010 | 84 | 40 | 9,021 | 4% | 3% | 449 | 567 | $ 0.31 | $ 1.41 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced (Wet) | Northwest | 2018 | 463 | 40 | 6,760 | 4% | 3% | 1,170 | 1,479 | $ 3.94 | $ 5.84 | 0.001 | 0.011 | 0.26 | 118.00 |
| CCCT Advanced Duct Firing (Wet) | Northwest | 2018 | 87 | 40 | 9,021 | 4% | 3% | 574 | 725 | $ 0.31 | $ 1.41 | 0.001 | 0.011 | 0.26 | 119.00 |

**EXHIBIT___(LK-32)**

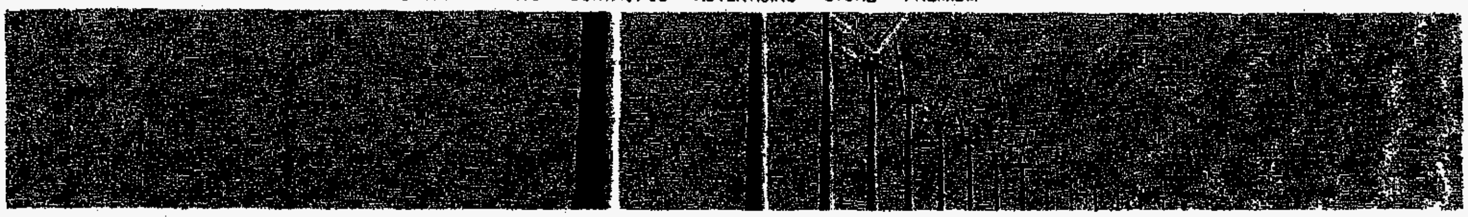
FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO COMPANY PROPOSED SERVICE LIVES FOR COMBINED CYCLE GAS TURBINE UNITS
TEST YEAR ENDING DECEMBER 31, 2010
($ MILLIONS)

*Source:* Depreciation Study Exhibit CRC-1 Page 60 of 720 for WCEC Units 1 and 2
Depreciation Study Exhibit CRC-1 Pages 129-133 of 720 for All Other Units

| Comined Cycle Units | FPL's Remaining Service Life | FPL Annual Depr | SFHHA Remaining Service Life | SFHHA Annual Depr | SFHHA Depr Reduction |
|---|---|---|---|---|---|
| West County Unit 1 | 25 | 36.032 | 40 | 22.520 | (13.512) |
| West County Unit 2 | 25 | 30.625 | 40 | 19.140 | (11.484) |
| Lauderdale Units 4, 5 and *Common* | 10 | 25.657 | 25 | 10.263 | (15.394) |
| Ft. Meyers Units 2, 3 and Common | 18 | 35.040 | 33 | 19.113 | (15.927) |
| Manatee Unit 3 | 20 | 22.551 | 35 | 12.886 | (9.665) |
| Martin Units 3, 4, Common and Pipeline | 10 | 25.650 | 25 | 10.260 | (15.390) |
| Martin Unit 8 | 20 | 21.028 | 35 | 12.016 | (9.012) |
| Putnam Units 1, 2 and Common | 10 | 9.545 | 25 | 3.818 | (5.727) |
| Samford Unit 4 and Common | 18 | 22.110 | 33 | 12.060 | (10.050) |
| Samford Unit 5 and Common | 17 | 17.318 | 32 | 9.200 | (8.118) |
| Turkey Point Unit 5 | 22 | 25.180 | 37 | 14.972 | (10.208) |
| Total | | 270.736 | | 146.249 | (124.488) |
| Jurisdictional Allocation for Depreciation - Schedule C-1 | | | | | 0.990615 |
| Jurisdictional Depreciation Reduction | | | | | (123.319) |

| | |
|---|---|
| Annual Accumulated Depreciation Reduction | 123.319 |
| Time Period To Apply Reduction | .5 Years |
| Accumulated Depreciation Reduction - Increase to Rate Base | 61.660 |
| FPL Filed Grossed Up Rate of Return | 11.80% |
| Revenue Requirement Effect of Accumulated Depreciation Reduction | 7.276 |
| Total Revenue Requirement Effect of Capital Cost Recovery Adjustment | (116.043) |

**EXHIBIT___(LK-33)**







## Major players team up for Florida SmartMeter project

Monday, 20 April 2009 22:19

User Rating: / 0

Poor Best Rate

The city of Miami announced on April 20 that it is installing a million fully-functioning smart meters for all residents within the next two years. Once carried out, the smart meter program will be the most comprehensive in the entire country.

Digg

Mayor Manny Diaz announced the plans, titled Energy Smart Miami, at a press conference hosted by Miami Dade College. The first phase, which involves the smart meter installations, will cost an estimated $200 million. Also present at the press conference were the CEOs of the major contributors to the project including Lewis Hay of Florida Power & Light (FP&L), John Chambers of Cisco, Jeffery Immelt of GE, and Scott Lang of Silver Spring Networks.

submit

"To me these are prudent and smart investments that will easily pay for themselves," said Diaz. "It will show the nation how to address environmental, energy, and economic challenges all at the same time."

The smart meters will be able to communicate wirelessly over the internet. FP&L's customers will be able to get detailed information describing their energy usage and use it to lower their consumption, said FP&L CEO Hay.

Around 1000 consumers will get an EcoDashBoard – a central in-home energy display and control unit – that will allow for appliances and the thermostat to be controlled by the smart meter. This group of consumers will be enrolled in a demand response program that allows FP&L to adjust how appliances use energy during peak times of demand.

Across Florida the project will add Internet connectivity to power substations and other hardware along the distribution grid. Hay said that the $700 million effort will allow FP&L to prevent and quickly determine the source of power outages.

The utility is applying for a matching grant from the stimulus package that Hay says will allow FP&L to complete the project within two years. Without the funding it will take five. Around 100,000 FP&L customer in the Miami area have already been provided with smart meters that are equipped with networking technology provided by Silver Spring Networks.



Additional investments will be made to provide solar power at schools and universities and to purchase 300 plug-in electric vehicles accompanied by 50 charging stations. FP&L will have the ability to better integrate distributed renewable power sources and will be able to run the entire system efficiently.

"We have 100,000 of the meters deployed already and customers are seeing real savings," said Hay. "It's an open architecture based system that will allow new applications to be developed to automate home energy monitoring."

GE CEO Immelt said that the project will involve technologies that cover the power grid from end to end – from the power generation source to where it is consumed within the home.

"The most important word to come away with from today isn't 'green,' it's 'now,'" said Immelt. "The technologies are available now, the investments need to take place, the jobs need to be created now. This is the kind of project the country should be doing."

Mayor Diaz said that between 800 and 1000 jobs will be created and that $5 to $7 billion will be pumped into the general economy by 2016 as a result of the savings realized by consumers. Diaz added that climate concerns are at the forefront in Miami – a city that would be underwater should the seas rise a few feet.

Cisco will be providing the network infrastructure for the project. CEO Chambers said that countries around the world are recognising the importance of investing in a smart grid.

"This is an instant replay of the Internet," said Chambers. "Instead of moving zeros and ones, we're moving electricity."

Florida Power & Light
P.O. Box 025576
Miami, FL 33102
http://www.fpl.com

Cisco Systems, Inc.
170 West Tasman Dr.
San Jose, CA 95134
http://www.cisco.com

General Electric
3135 Easton Turnpike
Fairfield, CT 06828
http://www.ge.com

Silver Spring Networks
575 Broadway Street
Redwood City, CA 94063
http://www.silverspringnet.com

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EXHIBIT___(LK-34)

**FLORIDA POWER AND LIGHT**
**SFHHA ADJUSTMENT TO REFLECT EFFECTS OF ECONOMIC STIMULUS BILL**
**TEST YEAR ENDING DECEMBER 31, 2010**
**($ MILLIONS)**

Source: Depreciation Study Exhibit CRC-1 Page 54 of 720

| | |
|---|---|
| Economic Stimilus Expected for AMI Deployment | (20.000) |
| Remaining Life Depr Rate Proposed by FPL Acct 370.1 (Meters-AMI) | 7.97% |
| Annual Depreciation Expense Reduction | (1.594) |
| Jurisdictional Allocation for Depreciation - Schedule C-1 | 0.990615 |
| Jurisdictional Depreciation Reduction | (1.579) |
| | |
| Reduction to Gross Plant in Rate Base | (20.000) |
| Annual Accumulated Depreciation Reduction | 1.579 |
| Time Period To Apply Reduction | .5 Years |
| Accumulated Depreciation Reduction - Increase to Rate Base | 0.790 |
| Net Reduction to Rate Base | (19.210) |
| FPL Filed Grossed Up Rate of Return | 11.80% |
| Revenue Requirement Effect of Reduction in Rate Base | (2.267) |
| | |
| Total Revenue Requirement Effect | (3.846) |

**EXHIBIT___(LK-35)**

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Ninth Set of Interrogatories**
**Interrogatory No. 279**
**Page 1 of 1**

Q.
Regarding Testimony of FPL Witness Barrett:

Regarding Exhibit REB-16. Please provide the 2009 budget capital expenditure information by month and provide the 2009 actual information by month for all months for which actual information is available.

A.
See Attachment No. 1.

Regarding Testimony of FPL Witness Barrett:

Regarding Exhibit REB-16. Please provide the 2009 budget capital expenditure information by month and provide the 2009 actual information by month for all months for which actual information is available.

## 2009 Approved Capital Budget

**Excludes New England Division**

**($millions)**

| Business Unit | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Power Generation | $ 22 | $ 24 | $ 38 | $ 33 | $ 35 | $ 34 | $ 35 | $ 31 | $ 41 | $ 40 | $ 37 | $ 47 | $ 417 |
| Nuclear | 53 | 34 | 64 | 35 | 63 | 34 | 34 | 46 | 30 | 33 | 63 | 42 | 533 |
| Transmission | 33 | 19 | 22 | 24 | 18 | 14 | 20 | 14 | 14 | 18 | 22 | 7 | 225 |
| Distribution | 30 | 31 | 39 | 32 | 32 | 31 | 25 | 31 | 26 | 24 | 22 | 22 | 345 |
| Customer Service | 1 | 0 | 1 | 1 | 1 | 2 | 4 | 3 | 5 | 8 | 9 | 10 | 45 |
| Engineering & Construction and Project Development | 81 | 74 | 53 | 82 | 105 | 96 | 91 | 91 | 95 | 102 | 80 | 85 | 1,034 |
| Other | 16 | 17 | 20 | 19 | 15 | 16 | 16 | 17 | 17 | 15 | 11 | 13 | 192 |
| Total | $ 235 | $ 200 | $ 237 | $ 225 | $ 269 | $ 226 | $ 224 | $ 234 | $ 229 | $241 | $ 244 | $ 226 | $2,790 |

## Actuals for 2009 Approved Capital Budget

**Excludes New England Division**

**($millions)**

| Business Unit | Jan | Feb | Mar | Apr |
|---|---|---|---|---|
| Power Generation | $ 14 | $ 24 | $ 23 | $ 32 |
| Nuclear | 24 | 23 | 38 | 43 |
| Transmission | 16 | 13 | 35 | 20 |
| Distribution | 32 | 28 | 35 | 30 |
| Customer Service | 0 | 0 | 0 | 0 |
| Engineering & Construction and Project Development | 67 | 26 | 95 | 50 |
| Other * | 14 | 13 | 17 | 16 |
| Total | $ 167 | $ 127 | $ 242 | $ 191 |

* Other for month of April excludes $83 million credit for DOE settlement relative to spent nuclear fuel storage not included in budget

**2009 Approved Capital Bud**
**Excludes New England Division**
**($millions)**

| Business Unit | | Reference Exhibit REB-16 2009 Approved Budget | | Difference | Comment |
|---|---|---|---|---|---|
| Power Generation | $ | 417 | $ | (0) | |
| Nuclear | | 533 | | (0) | |
| Transmission | | 225 | | (0) | |
| Distribution | | 345 | | (0) | |
| Customer Service | | 54 | | (9) | During year budget transfer |
| Engineering & Construction and | | | | 0 | |
| Project Development | | 1,025 | | 9 | During year budget transfer |
| Other | | 191 | | 1 | Net rounding differences |
| *Total* | $ | 2,790 | $ | (0) | |

**Actuals for 2009 Approved**
**Excludes New England Division**
**($millions)**

| Business Unit |
|---|
| Power Generation |
| Nuclear |
| Transmission |
| Distribution |
| Customer Service |
| Engineering & Construction and |
| Project Development |
| Other * |
| Total |

* Other for month of April excludes

EXHIBIT___(LK-36)

# FLORIDA POWER AND LIGHT COST OF CAPITAL
# TEST YEAR ENDING DECEMBER 31, 2010
# ($ MILLIONS)

## I. FPL Cost of Capital Per Filing

| | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|
| Long Term Debt | 5,377.787 | 31.52% | 5.55% | 1.75% | 1.75% |
| Customer Deposits | 564.652 | 3.31% | 5.98% | 0.20% | 0.20% |
| Short Term Debt | 161.857 | 0.95% | 2.96% | 0.03% | 0.03% |
| Deferred Income Tax | 2,723.327 | 15.96% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 56.983 | 0.33% | 9.74% | 0.03% | 0.03% |
| Common Equity | 8,178.980 | 47.93% | 12.50% | 5.99% | 9.79% |
| Total Capital | 17,063.587 | 100.00% | | 8.00% | 11.80% |

## II. FPL Cost of Capital Adjusted to Restate Common Equity and Debt Capital Structure as Recommended by Mr. Baudino

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,377.787 | 845.038 | 6,222.825 | 36.47% | 5.55% | 2.02% | 2.03% |
| Customer Deposits | 564.652 | | 564.652 | 3.31% | 5.98% | 0.20% | 0.20% |
| Short Term Debt | 161.857 | | 161.857 | 0.95% | 2.96% | 0.03% | 0.03% |
| Deferred Income Tax | 2,723.327 | | 2,723.327 | 15.96% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 56.983 | | 56.983 | 0.33% | 9.74% | 0.03% | 0.03% |
| Common Equity | 8,178.980 | (845.038) | 7,333.942 | 42.98% | 12.50% | 5.37% | 8.78% |
| Total Capital | 17,063.587 | - | 17,063.587 | 100.00% | | 7.65% | 11.07% |
| | | | | | | | |
| Incremental Grossed Up ROR | | | | | | | -0.74% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| | | | | | | | |
| SFHHA Revenue Requirement Effect | | | | | | | (121.424) |

# FLORIDA POWER AND LIGHT COST OF CAPITAL
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

### II. FPL Cost of Capital Adjusted to Restate Long and Short Term Debt as Recommended by Mr. Baudino

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 6,222.825 | (438.143) | 5,784.682 | 33.90% | 5.55% | 1.88% | 1.89% |
| Customer Deposits | 564.652 | | 564.652 | 3.31% | 5.98% | 0.20% | 0.20% |
| Short Term Debt | 161.857 | 438.143 | 600.000 | 3.52% | 2.96% | 0.10% | 0.10% |
| Deferred Income Tax | 2,723.327 | | 2,723.327 | 15.96% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 56.983 | | 56.983 | 0.33% | 9.74% | 0.03% | 0.03% |
| Common Equity | 7,333.942 | | 7,333.942 | 42.98% | 12.50% | 5.37% | 8.78% |
| Total Capital | 17,063.587 | - | 17,063.587 | 100.00% | | 7.59% | 11.00% |
| Incremental Grossed Up ROR | | | | | | | -0.07% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| SFHHA Revenue Requirement Effect | | | | | | | (11.018) |

### IV. FPL Cost of Capital Adjusted to Add Back Company's FIN 48 Adjustment to Deferred Income Tax

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,784.682 | | 5,784.682 | 33.57% | 5.55% | 1.86% | 1.87% |
| Customer Deposits | 564.652 | | 564.652 | 3.28% | 5.98% | 0.20% | 0.20% |
| Short Term Debt | 600.000 | | 600.000 | 3.48% | 2.96% | 0.10% | 0.10% |
| Deferred Income Tax | 2,723.327 | 167.394 | 2,890.721 | 16.78% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 56.983 | | 56.983 | 0.33% | 9.74% | 0.03% | 0.03% |
| Common Equity | 7,333.942 | | 7,333.942 | 42.56% | 12.50% | 5.32% | 8.69% |
| Total Capital | 17,063.587 | 167.394 | 17,230.981 | 100.00% | | 7.51% | 10.89% |
| Incremental Grossed Up ROR | | | | | | | -0.11% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| SFHHA Revenue Requirement Effect | | | | | | | (17.643) |

# FLORIDA POWER AND LIGHT COST OF CAPITAL
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

### V. FPL Cost of Capital Adjusted to Reallocate Pro Rata Adjustments

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,784.682 | (176.958) | 5,607.724 | 32.54% | 5.55% | 1.81% | 1.81% |
| Customer Deposits | 564.652 | 61.731 | 626.383 | 3.64% | 5.98% | 0.22% | 0.22% |
| Short Term Debt | 600.000 | (4.369) | 595.631 | 3.46% | 2.96% | 0.10% | 0.10% |
| Deferred Income Tax | 2,890.721 | 334.472 | 3,225.193 | 18.72% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 56.983 | 6.229 | 63.212 | 0.37% | 9.74% | 0.04% | 0.04% |
| Common Equity | 7,333.942 | (221.105) | 7,112.837 | 41.28% | 12.50% | 5.16% | 8.43% |
| Total Capital | 17,230.981 | - | 17,230.981 | 100.00% | | 7.32% | 10.60% |
| Incremental Grossed Up ROR | | | | | | | -0.29% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| SFHHA Revenue Requirement Effect | | | | | | | (48.695) |

### VI. FPL Cost of Capital Adjusted to Increase ADIT for Depreciation Changes

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | Jurisdictional Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,607.724 | | 5,607.724 | 32.38% | 5.55% | 1.80% | 1.80% |
| Customer Deposits | 626.383 | | 626.383 | 3.62% | 5.98% | 0.22% | 0.22% |
| Short Term Debt | 595.631 | | 595.631 | 3.44% | 2.96% | 0.10% | 0.10% |
| Deferred Income Tax | 3,225.193 | 88.180 | 3,313.373 | 19.13% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 63.212 | | 63.212 | 0.36% | 9.74% | 0.04% | 0.04% |
| Common Equity | 7,112.837 | | 7,112.837 | 41.07% | 12.50% | 5.13% | 8.39% |
| Total Capital | 17,230.981 | 88.180 | 17,319.161 | 100.00% | | 7.28% | 10.54% |
| Incremental Grossed Up ROR | | | | | | | -0.05% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| SFHHA Revenue Requirement Effect | | | | | | | (8.909) |

# FLORIDA POWER AND LIGHT COST OF CAPITAL
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

**VII. FPL Cost of Capital Adjusted to Restate ROE at 10.4% as Recommended by Mr. Baudino**

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | *Jurisdictional* Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,607.724 | | 5,607.724 | 32.38% | 5.55% | 1.80% | 1.80% |
| Customer Deposits | 626.383 | | 626.383 | 3.62% | 5.98% | 0.22% | 0.22% |
| Short Term Debt | 595.631 | | 595.631 | 3.44% | 2.96% | 0.10% | 0.10% |
| Deferred Income Tax | 3,313.373 | | 3,313.373 | 19.13% | 0.00% | 0.00% | 0.00% |
| *Investment Tax Credits* | 63.212 | | 63.212 | 0.36% | 9.74% | 0.04% | 0.04% |
| Common Equity | 7,112.837 | | 7,112.837 | 41.07% | 10.40% | 4.27% | 6.98% |
| Total Capital | 17,319.161 | - | 17,319.161 | 100.00% | | 6.42% | 9.13% |
| *Incremental Grossed Up ROR* | | | | | | | -1.41% |
| SFHHA Rate Base | | | | | | | 16,511.804 |
| SFHHA Revenue Requirement Effect | | | | | | | (232.610) |

# FLORIDA POWER AND LIGHT COST OF CAPITAL
## TEST YEAR ENDING DECEMBER 31, 2010
## ($ MILLIONS)

### VIII. FPL Cost of Capital Adjusted to Restate Short Term Debt Rate as Recommended by Mr. Baudino

| | Jurisdictional Capital Before Adjustment | Jurisdictional Adjustment | *Jurisdictional* Adjusted Capital | Capital Ratio | Cost Rate | Weighted Avg Cost | (1) Grossed Up Cost |
|---|---|---|---|---|---|---|---|
| Long Term Debt | 5,607.724 | | 5,607.724 | 32.38% | 5.55% | 1.80% | 1.80% |
| Customer Deposits | 626.383 | | 626.383 | 3.62% | 5.98% | 0.22% | 0.22% |
| Short Term Debt | 595.631 | | 595.631 | 3.44% | 0.60% | 0.02% | 0.02% |
| Deferred Income Tax | 3,313.373 | | 3,313.373 | 19.13% | 0.00% | 0.00% | 0.00% |
| Investment Tax Credits | 63.212 | | 63.212 | 0.36% | 9.74% | 0.04% | 0.04% |
| Common Equity | 7,112.837 | | 7,112.837 | 41.07% | 10.40% | 4.27% | 6.98% |
| Total Capital | 17,319.161 | - | 17,319.161 | 100.00% | | 6.34% | 9.05% |

| | |
|---|---|
| Incremental Grossed Up ROR | -0.08% |
| SFHHA Rate Base | 16,511.804 |
| SFHHA Revenue Requirement Effect Before Adding Back Facility and Administrative Fees | (13.446) |
| Facility and Administrative Fees Added to Revenue Requirement as Interest Expense | 1.661 |
| Net SFHHA Revenue Requirement Effect | (11.785) |

(1) Grossed up costs include effects of federal and state income taxes, bad debt expense and regulatory assessment fee found on Schedule C-44.

| | |
|---|---|
| Federal Income Tax Rate | 35.00000% |
| State Income Tax Rate | 5.50000% |
| Bad Debt | 0.00260% |
| Regulatory Assessment Fee | 0.00072% |

EXHIBIT___(LK-37)

**Florida Power & Light Company**
**Docket No. 080677-EI**
**SFHHA's Ninth Set of Interrogatories**
**Interrogatory No. 278**
**Page 1 of 1**

**Q.**
Regarding Schedule D-1A for the 2010 test year. Please provide the FIN 48 net ADIT amount, by temporary difference, included in each of the ADIT amounts for the Company total per books, specific adjustments, system adjusted and jurisdictional adjusted. If these amounts cannot be provided by temporary difference due to privilege concerns, then provide the net aggregate amount. Positive signs should indicate asset ADIT amounts and negative signs should indicate liability ADIT amounts.

**A.**
For the 2010 test year, there was no forecast made applicable to changes in the temporary differences for which a FIN 48 uncertain tax positions had been recognized in prior periods. As of the end of December 2008, the total Accumulated Deferred Tax Liabilities for which FIN 48 liability was recognized was $168,598,172. Since uncertain tax positions relate to future potential liabilities, the deferred taxes associated with the temporary differences related to the FIN 48 liabilities were included in the accumulated deferred income taxes in the capital structure, rather than including them with long-term liabilities in rate base. This presentation is consistent with the treatment of the deferred taxes and FIN 48 liabilities established for FERC reporting. There were no FIN 48 uncertain tax positions related to any Accumulated Deferred Tax Assets.

**EXHIBIT___(LK-38)**

Q.
Regarding Testimony of FPL Witness Pimentel:

Regarding page 13:14-20. Regarding the Company's credit facility and available loan term, please provide a more detailed description of each source, including, but not limited to, the pricing terms, duration, and other terms.

A.
On April 3, 2007, FPL renewed the credit facility of $2.5B with participation from 38 banks, expiring in April, 2012. It was subsequently extended an additional year to expire in 2013, with the exception of $17M expiring in 2012. On May 28, 2009, the credit facility was revised to exclude the participation of Lehman Brothers. Currently the credit facility size is $2.473B. In addition, FPL has a $250M term loan facility expiring in May, 2011. There are currently no borrowings outstanding under either facility

The annual costs for the credit facility are $1,535,938. This includes an annual facility fee of 4.5 basis points ($1,125,000) and annual amortization of upfront commitment, arrangement and administrative fees paid in the amount of $410,938. The annual costs for the term loan facility are $125,000 for facility fees.

In the event that FPL would borrow against the credit facility the interest charged is dependent on FPL's credit ratings and priced as a spread over LIBOR.

## CERTIFICATE OF SERVICE
## DOCKET NO. 080677-EI

I HEREBY CERTIFY that a copy of the **PREFILED TESTIMONY AND EXHIBITS OF THE SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION** has been furnished by electronic mail and U.S. mail to the following parties on this 16th day of July, 2009 to the following:

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*/s/ Kenneth L. Wiseman*
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