

PUBLIC UTILITY COMMISSION OF TEXAS

LONE STAR TRANSMISSION, LLC.

V-K-6 ADJUSTMENTS TO TEST YEAR EXPENSES - FINAL

FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014

DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
V-K-7 STATUTORY REQUIREMENTS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020

SEE SCHEDULE V-K-7 - ATTACHMENT - STATUTORY REQUIREMENTS - FINAL

SERVICES PROVIDED AND BILLING PROCESS

NextEra Energy Resources, LLC ("NEER"), Florida Power & Light Company ("FPL") and NextEra Energy Transmission, LLC ("NEET") provide affiliate services to Lone Star Transmission, LLC ("Lone Star"). Please see Schedules V-K-1, V-K-2, and V-K-12 of Lone Star's rate filing schedules, the chart below, and Ms. Dietrich's direct testimony for amounts billed from affiliates to Lone Star by item or class of item. Lone Star has defined and utilized 12 classes of items. The billing process for each class is presented in Schedule V-K-9 of this rate-filing package. The billing methodology for each of these sub-classes is presented in Schedule V-K-11 of this rate-filing package. The amount billed to each affiliate, including Lone Star, is presented in Schedule V-K-12 of this rate-filing package.

Section 36.058 of the Public Utility Regulatory Act ("PURA") sets out the basic affiliate transaction standard to be applied by the Public Utility Commission of Texas ("Commission"). In summary, Section 36.058 requires that each item or class of items charged by an affiliate be found to be reasonable and necessary and not higher than charges to a third party or other affiliate for the same item or class of items. Additionally, PURA Section 36.058(f) provides that if the regulatory authority finds that an affiliate expense for the test period is unreasonable, the regulatory authority shall determine the reasonable level of the expense and include that expense in determining the electric utility's cost of service.

"REASONABLE AND NECESSARY" CLAUSE OF THE AFFILIATE STANDARD

Schedule V-K-10 of this rate filing package details the cost controls that are in place to assure the reasonableness of those services provided by Lone Star's affiliates. In addition, the direct testimony of Ms. Cheryl Dietrich details the numerous means used to ensure that costs billed by these affiliates are reasonable. These cost controls include corporate support agreements, the annual budget process, monthly invoicing and review, budget oversight, as well as internal and external auditing. In preparation for this case, Lone Star engaged Booz & Company to conduct an independent review of Lone Star's affiliate service providers' cost reasonableness, budgeting and control processes, necessity and benefits, and cost allocations. Please refer to Mr. Flaherty's direct testimony for the results of this study. The direct testimonies of the witnesses listed below provide additional support as to the reasonableness and necessity of Lone Star's affiliate expense request.

NextEra Energy Transmission, LLC

Functional Area	Amount	Supporting Witness ¹
Business Management	\$1,174,838	Cheryl L. Dietrich
Business Services	\$59,082	Cheryl L. Dietrich
Transmission Operations	\$309,606	David K. Turner

NextEra Energy Resources, LLC

Functional Area	Amount	Supporting Witness ¹
Accounting and Finance	\$222,122	Richard B. Cribbs and Brian R. Murphy
Affiliate Management Fee	\$103,234	Cheryl L. Dietrich
Engineering & Construction	\$796,484	Daniel Mayers
Environmental	\$13,924	David K. Turner
Human Resources	\$152,150	Julie S. Rice
Information Management	\$6,211	Cheryl L. Dietrich
Integrated Supply Chain	\$45,228	David K. Turner
Law Department	\$65,545	Cheryl L. Dietrich
Treasurer	\$91,540	Aldo E. Portales

¹ Refer to testimony of sponsoring witness for an explanation of the necessity and reasonableness of affiliate cost.

Florida Power & Light

Functional Area	Amount	Supporting Witness ¹
Affiliate Management Fee	\$866,251	Cheryl L. Dietrich
Corporate Real Estate	\$26,000	Cheryl L. Dietrich
Engineering & Construction	\$341,350	Daniel Mayers
Human Resources	\$55,198	Julie S. Rice
Information Management	\$3,552	Cheryl L. Dietrich
Integrated Supply Chain	\$57,758	David K. Turner
Law Department	\$152,208	Cheryl L. Dietrich
Transmission & Substation	\$245,812	David K. Turner

“NO HIGHER THAN” STANDARD ANALYSIS

Each of the above services is described in Schedule V-K-4 of this rate filing package and discussed in the direct testimony of several witnesses. The services provided are billed to Lone Star using three methodologies - direct bill, direct assigned and allocated. The direct bill method is used for labor charges, the direct assigned method is applied to resources used jointly in the provision of both Lone Star and an affiliate’s activities that can be apportioned using direct measures of cost causation and the allocated method is used for services required by, and common to all affiliates, that are billed either through the FPL AMF or NEER AMF, as appropriate. As provided in the testimony of Ms. Dietrich, refer to Exhibit CLD-5 for a detailed description of the FPL allocations and methodologies and Exhibit CLD-6 for the NEER allocations and their methodologies. This approach assures that all services, each item or class of items, is billed to each entity utilizing a particular service based on the same cost per unit of service provided. For all expenses requested by Lone Star in its cost of service, each service is billed using the same methodology for all affiliates as is used for Lone Star, and thus Lone Star has not requested an amount higher than that attributable to the other subsidiaries of NextEra Energy, Inc. or non-affiliated third parties for the same item or class of item.

PUBLIC UTILITY COMMISSION OF TEXAS
 LONE STAR TRANSMISSION, LLC.
 V-K-8 SERVICES PROVIDED TO AFFILIATES - FINAL
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
 DOCKET NO. 40020

Line No.	FERC Acct	FERC Acct Description	1	2	3	4
			NEET	NEER	FPL	Total
1	408.1	Taxes Other Than Income Taxes, Utility Operating Income	\$ (437)	\$ (140)	\$ (87)	\$ (665)
2	560	Operation Supervision and Engineering	-	-	(1,056)	(1,056)
3	920	Administrative and General Salaries	(5,293)	(1,697)	-	(6,990)
4	922	Administrative Expenses Transferred-Credit	(3,281)	(1,052)	(654)	(4,988)
5	925	Injuries and Damages	(17)	(6)	(3)	(27)
6	926	Employee Pensions and Benefits	(288)	(92)	(58)	(438)
7						
8						
	TOTAL		\$ (9,318)	\$ (2,986)	\$ (1,858)	\$ (14,163)

PUBLIC UTILITY COMMISSION OF TEXAS

LONE STAR TRANSMISSION, LLC.

V-K-9 ALLOCATION OF AFFILIATE COSTS - FINAL

FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014

DOCKET NO. 40020

SEE SCHEDULE V-K-9 - ATTACHMENT - ALLOCATION OF AFFILIATE COSTS - FINAL

AFFILIATE BILLING PROCESS

Lone Star establishes a Work Breakdown Structure (WBS) Element for charges to be received from its affiliates. The process for setting up a WBS Element includes identifying the purpose, FERC account, and the appropriate affiliate company that will use the WBS Element. Affiliate WBS Elements are used to track charges such as direct billed labor, direct billed non-labor costs and allocated costs. Direct billed labor charges represent the hours worked multiplied by the employee's hourly pay rate plus a labor loader. The labor loader includes, but is not limited to vacation, sick leave, benefits, taxes and administrative and general costs, such as office space allocations and supplies. Direct billed non labor charges and allocated costs are billed at the affiliates' cost.

When an affiliate employee is requested to provide services or has the need to direct charge an expense to Lone Star, they contact the designated affiliate transaction analyst at NextEra Energy Transmission, LLC (NEET) Business Management to obtain the appropriate charge account.

NextEra Energy Resources, LLC (NEER) and NEET affiliates are provided with the appropriate WBS element. Charges from NEER and NEET are posted directly to the Lone Star WBS elements.

Florida Power & Light (FPL) employees are provided with an Internal Order (IO), which is the charge account structure used by FPL to capture costs. Where there are different functional areas supporting the same activity, separate IOs are used to capture costs associated with the specific activity and specific functional area. The creation of an IO is requested by the NEET Business Management designated affiliate transaction analyst using the Request for Personnel Services (RFPS) database system. IOs created through this process are mapped on FPL's books to a Lone Star WBS element. Charges from FPL are accumulated in the IOs on FPL's books. At month end, a labor loader is applied to labor charges posted to IOs. Both loaded payroll and non-payroll charges from FPL are then settled to the respective WBS elements on Lone Star.

In addition, there are common costs - either allocated or direct assigned which are billed monthly to Lone Star from NEER and FPL.

NEER's allocated costs, less any direct charges, are segregated and captured first on a budgeted basis. This is accomplished through use of separate NEER budget line items and WBS projects. These budgeted costs are combined to obtain estimated shared cost pools for the year which are then allocated to affiliated companies using specific allocators. Each month, Lone Star's estimated allocation of charges from the cost pool is posted to a Lone Star WBS element set up to capture these costs. The shared cost pools are periodically trued up to actuals -- usually in the fourth quarter of the current year and again in the first quarter of the following year, as needed. The cost pools will also be trued up to actuals, as needed, for organizational changes. The true ups are then posted to a Lone Star WBS element set up to capture these costs.

Any direct assigned costs from NEER are invoiced in the same way as direct charges.

FPL's allocated costs represent the cost of corporate shared services, less any direct charges, that are accumulated in a cost pool. The cost pool represents the actual current month's cost of specific functions that provide resources in support of multiple companies. The pool is then distributed on a monthly basis to the affiliated companies using specific allocators. These costs are discussed in more detail in Section VI of Cheryl Dietrich's testimony. Each month, Lone Star's allocation of charges from the cost pool is posted to an IO set up to capture these costs.

Any direct assigned costs from FPL are manually invoiced to Lone Star on a monthly basis. Accounting prepares a journal entry to record the invoiced costs on Lone Star's books.

In the case of NEER and NEET, Lone Star receives a monthly invoice summarizing each affiliate's charges (direct, direct assigned and allocated) for that month. The monthly invoice includes supporting documentation for payroll hours charged. The NEET Business Management designated affiliate transaction analyst obtains supporting documentation for any

non-labor charges. The invoice and supporting documentation is then provided to Lone Star management for review and approval.

In the case of FPL, the NEET Business Management designated affiliate transaction analyst runs SAP accounting system reports detailing each affiliate's charges (direct, direct assigned and allocated) for that month; obtains supporting documentation for the charges; and prepares a summary of the monthly charges. The monthly charges summary and supporting documentation is then provided to Lone Star management for review and approval.

CHARGE METHOD	FORMULA
Direct	Actual hours charged x salary hourly rate x applicable loader
Direct Assigned	Costs of resources used jointly in the provision of both Lone Star and an affiliate's activities that are apportioned using direct measures of cost causation
Allocated	Services required by, and common to all, affiliates that are billed either through the FPL AMF or NEER AMF, as appropriate. Refer to CLD-5 for a detailed description of the FPL allocations and CLD-6 for the NEER allocations and their methodologies.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
V-K-10 CONTROLS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020

SEE SCHEDULE V-K-10 - ATTACHMENT - CONTROLS - FINAL

WITNESS: CHERYL L. DIETRICH

V-K-10 - FINAL

Control Process	Description
Corporate Support Service Agreements	Agreements that define the services to be provided to Lone Star by its affiliates. The agreements describe the process for negotiating the services and payment. The objective of the agreements is to have written contracts that define services and responsibilities for each party.
Annual Budget	On an annual basis, Lone Star meets with the affiliate service providers to identify the services needed and estimate a budget for those services. Based on discussions between the two organizations, affiliate charges are then formalized in the annual budget document. For allocated costs, NextEra Energy Resources, LLC (NEER) and Florida Power & Light (FPL) meet with Lone Star and NEET Business Management staff to review the cost pools and drivers to determine whether the allocated costs are relevant to Lone Star and to update the drivers.
Monthly Invoicing and Review Process	<p>In the case of NEER and NextEra Energy Transmission, LLC (NEET), Lone Star receives a monthly invoice summarizing each affiliate's charges (direct, direct assigned, and allocated) for that month. The monthly invoice includes supporting documentation for payroll hours charged. NEET Business Management has an employee dedicated to reviewing detailed affiliate transactions for adequate support and explanation of non-labor charges. The invoice and supporting documentation is then provided to Lone Star management for review and approval.</p> <p>In the case of FPL, the NEET Business Management employee dedicated to reviewing detailed affiliate transactions runs SAP accounting system reports detailing each affiliate's charges (both direct and allocated) for that month; obtains supporting documentation for the charges; and prepares a summary of the monthly charges. The monthly charges summary and supporting documentation are then provided to Lone Star management for review and approval.</p> <p>In addition to obtaining billing documentation, the Affiliate Transactions Analyst at NEET Business Management runs SAP time reports detailing the hours being billed to Lone Star. Time charges are tracked and reviewed to determine who is charging</p>

	<p>and whether the charges are appropriate and not duplicative. Anyone charging Lone Star is requested to provide information regarding the nature, level, and duration of their support. A crosscheck of employee responses is performed to ensure there is not a duplication of effort in services being provided. Any noted erroneous time charges are communicated to the employee to make the correction in the timekeeping system.</p> <p>Any noted erroneous non-labor charges are communicated to the originator and a request for correction is made on the following month's bill. Corrections are tracked for follow-up the next month to ensure the credit is accurately reflected.</p>
Budget Oversight	Lone Star and NEET Business Management staff regularly compare budgeted amounts to actual costs incurred. Any material deviations are investigated and discussed with Lone Star's management team so that appropriate response measures can be taken in a timely manner.
Internal Audits	The Internal Audit Department performs periodic reviews of processes to insure adequate controls and identify any potential efficiencies. The internal audits are performed at the request of individual companies or executives. There is no predefined schedule; audits are identified based on risk and need.
External Reviews	An independent audit of Lone Star's financial statements is performed on an annual basis. A Code of Conduct Compliance Audit is performed every three years.
Frequency of Allocation Formula Updates	The allocation formula is updated annually, but may also be revised during the year to reflect any significant changes such as merger and acquisition activities.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, L.L.C.
V-K-11 AFFILIATE BILLING METHODS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020

SEE SCHEDULE V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL

NextEra Energy Transmission, LLC (NEET)

Employees of NEET direct bill travel expenses and any time spent on Lone Star activities to a Lone Star work order called a WBS Element. WBS Elements are set up on Lone Star's books, to separately track charges to Lone Star from NEET employees. Direct billed labor charges represent the hours worked times the employee's hourly pay rate plus a labor loader. The labor loader includes vacation, sick leave, benefits, taxes, and administrative costs. See Exhibit CLD-3A of the direct testimony of Cheryl L. Dietrich for the calculation of the NEET labor loader rate. NEET only bills for direct charges and does not directly assign or allocate any costs to Lone Star. Refer to Exhibit CLD-2 of Ms. Dietrich's testimony for the NEET Transactions with Subsidiaries and Affiliates Policy and Procedure, which documents NEET's corporate support billing processes.

NextEra Energy Resources, LLC (NEER)

NEER, in the same way NEET bills Lone Star, uses a direct bill method for billing services provided to Lone Star. Direct bill travel expenses and any time spent on Lone Star activities are coded to a Lone Star WBS Element. WBS Elements are set up on Lone Star's books, to separately track charges to Lone Star from NEER employees. Direct billed labor charges represent the hours worked times the employee's hourly pay rate plus a labor loader. The labor loader includes vacation, sick leave, benefits, taxes, and administrative costs. See Exhibit CLD-3B for the calculation of the NEER labor loader rate. Refer to Exhibit CLD-2 of the direct testimony of Cheryl L. Dietrich for the NEER Transactions with Subsidiaries and Affiliates Policy and Procedure, which documents NEER's corporate support billing processes.

When direct billing is not practical, NEER uses two types of allocations, direct assigned and allocated, to distribute a portion of its shared corporate support services costs. As discussed in Schedule V-K-9, NEER allocates shared costs to Lone Star on a monthly basis through the NEER Affiliate Management Fee (AMF). See Exhibit CLD-6 of the direct testimony of Cheryl L. Dietrich for the NEER AMF Policy and Procedure, which documents NEER's AMF allocation process.

Florida Power & Light Company (FPL)

FPL, in the same way NEET and NEER bill Lone Star, uses a direct charge method for billing services to Lone Star. Direct charge travel expenses and any time spent on Lone Star activities are coded to an Internal Order that settles to a Lone Star WBS Element. WBS Elements are set up on Lone Star's books, to separately track charges to Lone Star from FPL employees. Direct billed labor charges represent the hours worked times the employee's hourly pay rate plus a labor loader. The labor loader includes vacation, sick leave, benefits, taxes, and administrative costs. See Exhibit CLD-3C for the calculation of the NEER labor loader rate.

When direct billing is not practical, FPL uses two types of allocations, direct assigned and allocated, to distribute a portion of its corporate support services costs. As discussed in Schedule V-K-9, FPL allocates shared costs to Lone Star on a monthly basis through the FPL AMF. See Exhibit CLD-5 of the direct testimony of Cheryl L. Dietrich for the FPL Cost Allocation Manual, which documents FPL's affiliate billing processes.

Refer to the direct testimony of Cheryl L. Dietrich for a detailed description of affiliate billing methods.

- The following tables show each type of service provided to Lone Star from its affiliates and whether the services are direct billed, direct assigned or allocated.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020
NextEra Energy Transmission, LLC

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Business Management	Provides executive and management direction for implementation of strategies, processes, and policies for financial planning and forecasting, affiliate transactions, corporate compliance, and business activities; corporate financial, due diligence, and business reporting; financial transaction monitoring; preparation of debt funding estimates; assistance with the preparation of cost projections, estimates and annual five-year plans; and assistance with the preparation and execution of regulatory filings.	Direct Billed
Business Services	Provides management oversight, which includes strategic and business planning; support of development; project management for rate case development and filing; process management system that ensures replication of each operational process; review of regulatory compliance filings; formulation and administration of quality program; establishment of "Operating Model" framework; and research and analysis of legislative impacts.	Direct Billed
Transmission Operations	Provides oversight and support in implementation of standardized transmission operations processes and procedures for the system control center, energy management system, field asset assessment and maintenance, event response, and reporting through interfaces with FPL Transmission & Substation organization and other corporate support organizations.	Direct Billed

WITNESS: CHERYL L. DIETRICH

V-K-11 - ATTACH - FINAL

2 of 8

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020
NextEra Energy Resources, LLC

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Accounting and Finance	General accounting, accounts payable, property tax and tax research, project valuation and modeling. Provides financial reporting, month-end closing functions, financial planning and forecasting, income and sales and use tax, senior management oversight, SAP production support: role approvals, role changes, user access, and custom SAP table maintenance, Sarbanes-Oxley Section 404 compliance/administration.	Direct Billed AMF
Corporate Governance	Provides senior management oversight, strategic direction and governance for NEER, NEET and their subsidiaries' day-to-day operations.	AMF
Development	Performs detailed evaluations of alternatives for transmission business, development of business plan for specific projects to ensure optimal planning, operational and financial structure; works with Project Valuation to develop a financial model	Direct Billed
Engineering Construction and Corporate Services (ECCS)	<i>Engineering and Construction</i> - Performs project cost and schedule controls, invoice processing, estimating, preliminary engineering and surveying, material specifications, procurement strategy, pole design, transmission line routing, vendor and project management, and manages discovery document collection and review for Engineering and Construction. <i>Integrated Supply Chain</i> - Provides procurement of materials, right of way and construction services, and data management software; management oversight for bidding services and vendor negotiation.	Direct Billed Direct Billed
Environmental Services	Services include coordination of environmental surveys, preparation of environmental policies and procedures, providing environmental expertise as it relates to route adjustments, and oversight of environmental monitors.	Direct Billed
Human Resources	Provides recruiting and hiring for non-operations personnel, terminations, compensation, and day-to-day personnel support.	Direct Billed
Information Management	Provides general support for telecommunications infrastructure including determining overall technical direction, developing network connectivity, and deploying the network and servers. SAP support, data management systems,	Direct Billed

PUBLIC UTILITY COMMISSION OF TEXAS
 LONE STAR TRANSMISSION, LLC.
 V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
 DOCKET NO. 40020
NextEra Energy Resources, LLC (Continued)

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Information Management (continued)	and desktop support for systems owned, operated, and maintained by NEER.	Direct Billed
Law Department	Provides legal services including support for financing contracts, construction contracts, debt and equity structuring, real estate office lease negotiations and contracts, employment law support, title commitments, land purchase agreements, and right of way easement agreements. Chief legal counsel and corporate secretaries.	Direct Billed AMF
Treasurer	Performs analysis of financing activities, evaluation of new financing vehicles and instruments, and supporting investment activities and banking.	Direct Billed

PUBLIC UTILITY COMMISSION OF TEXAS
 LONE STAR TRANSMISSION, LLC.
 V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
 DOCKET NO. 40020
Florida Power & Light Company

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Accounting and Finance	Provides specific support unique to Lone Star such as regulatory accounting treatment and analysis, and rate case consultation.	Direct Billed
	Provides oversight of all finance functions of NextEra Energy Inc. and subsidiary and affiliated companies including, investor relations, Controller's staff, Sarbanes Oxley internal controls and compliance, financial reporting and forecasting, accounting policy and analysis, investments, risk management, corporate tax, and cost allocations.	AMF
Corporate Communications	Provides department management and administration, email, employee communication, centralized services, interactive and social media	AMF
Corporate Governance	Executive officers of NextEra Energy who are engaged in strategic, tactical and compliance related activities. Activities associated with the NextEra Energy Board of Directors and Investor Relations.	AMF
Engineering, Construction, and Corporate Services (ECCS)	<i>Integrated Supply Chain</i> - Services include bidding, vendor negotiating, and material purchasing for substation equipment.	Direct Billed
	Business analytics, supplier diversity, master contracts such as travel and other services that benefit the entire organization.	AMF
	<i>Corporate Real Estate</i> - Services include identifying the location for, and leasing of, office space.	Direct Billed
	Furniture use and office space use allocation.	Direct Assigned
	Mail and intersite courier services.	AMF
	<i>Engineering and Construction</i> - Provides management oversight for the project cost and schedule controls and invoice processing personnel, and consulting for switchyard and substation electrical systems and major equipment.	Direct Billed
Human Resources	Transmission and substation operations personnel recruiting for Lone Star.	Direct Billed
	Performs safety campaigns, compensation and benefits administration, talent acquisition administration, background checks and drug	AMF

PUBLIC UTILITY COMMISSION OF TEXAS
 LONE STAR TRANSMISSION, LLC.
 V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
 DOCKET NO. 40020
Florida Power & Light Company (continued)

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Human Resources (Continued)	testing, Workforce analytics, Equal Employment Opportunity Commission ("EEOC") compliance, workers compensation and safety oversight, administration of employee development, payroll processing, employee call center, health and well being administration, and recruiting administration	AMF
Information Management	Provides support for remote access, developing network connectivity and deploying servers for field offices and control centers. Management and administration of enterprise hardware and software systems.	Direct Billed AMF
Internal Audit	Performs internal audits of company and affiliates, NERC compliance, FERC compliance, and Ethics office.	AMF
Law Department	Provides legal support for business units (e.g., litigation, labor, and employment, commercial contracting, corporate governance, regulatory proceedings as well as all other operational legal matters), monitoring compliance with federal, state and local laws, regulations and ordinances; and negotiating and reviewing agreements. Services include outside legal reviews of annual report and SEC filings; Board of Directors; labor, employment and benefits support; and corporate records and document files handling.	Direct Billed AMF
Regulatory Affairs	Services include coordinating dockets for regulatory rulemaking policy, rate proceedings and other technical filings.	Direct Billed
Strategy, Policy and Process Improvement	Provides building security; risk identification and management; quality, planning and analysis for operational excellence; and environmental strategy and support services which cover compliance, water and wildlife, air, and hazardous substances. More specifically, this includes Business administration of the department; building Security to include security officers and guard service, video monitoring and security badge /access administration; Emergency planning and Pandemic Events; Environmental Services strategy, compliance and support on Water and Wildlife, Air Media, and Oil & Hazardous substances; and Operational Excellence programs and training.	AMF

WITNESS: CHERYL L. DIETRICH

V-K-11 - ATTACH - FINAL

6 of 8

Florida Power & Light (Continued)

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Transmission and Substation Services	<p>Provides budgeting and affiliate billing and reporting support, internal communications and Six Sigma quality program management.</p> <p><i>Central Maintenance</i> - Provides project management and construction oversight for substation, transmission line and switchyard capital improvements at Lone Star; maintenance administration; transmission line, substation and vegetation management and maintenance support services; provides support on substation environmental services for oil filled equipment and safety and switching training programs.</p> <p><i>Engineering and Technical</i> - Services include transmission line, substation and protection & control subject matter expertise (SME) in life cycle condition assessment and maintenance plans and processes; developing list of vendors for bidding materials; design review; facility & master station evaluation; reviewing design for protective relaying design, instrument transformers, and metering; developing substation scope of work and switchyard equipment specifications. Develops transmission breaker and equipment specifications. Serves as owner's representative/engineer services on Brownfield construction projects; SME technical engineering support; environmental support related to equipment and animal programs.</p> <p>Transmission equipment consultative services and expertise (remote technical support); event analysis technical support (remote); subject matter expert (SME) technical support on all asset types in substations and lines.</p> <p>Provides support and consulting services related to scoping, establishing and operating Supervisory Control and Data Acquisition (SCADA) and overall Energy Management Systems infrastructure and applications for transmission system operations and setup of control room and asset diagnostic analysis and capabilities.</p> <p>Provides support services related to developing and implementing a standardized compliance program/process management.</p>	Direct Billed

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
V-K-11 - ATTACHMENT - AFFILIATE BILLING METHODS - FINAL
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014
DOCKET NO. 40020
Florida Power & Light Company (Continued)

FUNCTIONAL AREAS	DESCRIPTION OF SERVICES	CHARGE METHOD
Transmission and Substation Services (Continued)	Vegetation Management inspects and clears transmission right of way.	Direct Billed

PUBLIC UTILITY COMMISSION OF TEXAS
 LONE STAR TRANSMISSION, LLC
 V-K-12A AMOUNTS BILLED TO EACH AFFILIATE - FINAL
 AMOUNTS BILLED BY NEXTERA ENERGY TRANSMISSION, LLC TO AFFILIATES
 FOR THE FINAL RATE PERIOD ENDED MARCH 31, 2014
 DOCKET NO.

Line No.	Functional Area	Billing Method	1	2	3	5	4	6
			LST	NHT	NEER	FPL	TOTAL	
1	Business Management	Direct	\$ 572,918	\$ 189,031	\$ 93,156	\$ 7,212	\$ 862,317	
2	Business Services	Direct	86,886	-	-	-	\$ 86,886	
3	Transmission - Operations	Direct	26,717	-	-	6,664	\$ 33,380	
4								
5	TOTAL		\$ 686,520	\$ 189,031	\$ 93,156	\$ 13,876	\$ 982,583	

Line No.	Functional Area	Billing Method	1	2	3	5	4	6
			LST	NHT	NEER	FPL	TOTAL	
6	Business Management	Direct	66.44%	21.92%	10.80%	0.84%	100.00%	
7	Business Services	Direct	100.00%	0.00%	0.00%	0.00%	100.00%	
8	Transmission - Operations	Direct	80.04%	0.00%	0.00%	19.96%	100.00%	
9								
10	TOTAL		69.87%	19.24%	9.48%	1.41%	100.00%	

NOTE: Amounts reflected above represent billings from NextEra Energy Transmission, LLC to its affiliates for the period October 1, 2010 through September 30, 2011. Since projected affiliate billings were not developed for the final rate period ended March 31, 2014, this historical data is being provided to demonstrate that the prices charged to Lone Star by NextEra Energy Transmission, LLC are not higher than the prices charged by NextEra Energy Transmission, LLC for the same class of items to other affiliates.

WITNESS: CHERYL L. DIETRICH

V-K-12A - FINAL

PUBLIC UTILITY COMMISSION OF TEXAS

LONE STAR TRANSMISSION, LLC

V-K-12B AMOUNTS BILLED TO EACH AFFILIATE - FINAL
 AMOUNTS BILLED BY NEXTERA ENERGY RESOURCES, LLC TO AFFILIATES
 FOR THE FINAL RATE PERIOD ENDED MARCH 31, 2014

DOCKET NO.

Line No.	Functional Area	1	2	3	4	5	6	7	8
		Billing Method	LST	NHT	NEET	NEER Subsidiaries	FPL	FBNT	TOTAL
1	Accounting and Finance	Direct	\$ 91,768	\$ 47,188	\$ 1,775	\$ 326,105	\$ 137,461	\$ -	\$ 604,295
2	Business Management	Direct	98,127	-	-	1,033,341	1,588	-	1,133,057
3	Corporate Administration	Direct	-	-	-	3,338,159	724,018	-	4,062,178
4	Development	Direct	21,956	-	13,574	(16,880)	-	-	18,650
5	Engineering and Construction	Direct	615,096	868	471	3,977,226	601,401	-	5,195,062
6	Environmental	Direct	33,649	-	-	-	18,353	-	52,002
7	Human Resources	Direct	38,445	-	1,066	317,386	10,557	6,828	374,283
8	Information Management	Direct	6,675	2,250	-	1,841,813	1,301,041	945	3,152,723
9	Integrated Supply Chain	Direct	1,252	-	-	-	-	-	1,252
10	Internal Audit	Direct	-	-	-	-	19,765	-	19,765
11	Law Department	Direct	71,065	31,690	-	477,683	1,131,479	36,516	1,748,433
12	Operations	Direct	-	-	-	18,184,293	305,125	-	18,489,418
13	Power Marketing	Direct	-	-	-	49,673	1,956	-	51,629
14	Spain Solar	Direct	-	-	-	120,126	-	-	120,126
15	Support Services	Direct	485,821	50,406	3,841	3,840,059	659,449	-	4,495,508
16	Payroll Loaders, Taxes and Benefits	Direct	-	-	-	4,107,865	2,194,372	28,227	6,870,533
17	Third Party and Other	Direct	14,950	-	35,696	-	-	-	50,646
18									
19	Total		\$ 1,478,804	\$ 132,402	\$ 56,423	\$ 37,596,849	\$ 7,106,565	\$ 72,516	\$ 46,443,559

Line No.	Functional Area	Billing Method	LST	NHT	NEET	NEER Subsidiaries	FPL	FBNT	TOTAL
20	Accounting and Finance	Direct	15.19%	7.81%	0.29%	53.96%	22.75%	0.00%	100.00%
21	Business Management	Direct	8.66%	0.00%	0.00%	91.20%	0.14%	0.00%	100.00%
22	Corporate Administration	Direct	0.00%	0.00%	0.00%	82.18%	17.82%	0.00%	100.00%
23	Development	Direct	117.73%	0.00%	72.78%	-90.51%	0.00%	0.00%	100.00%
24	Engineering and Construction	Direct	11.84%	0.02%	0.01%	76.56%	11.58%	0.00%	100.00%
25	Environmental	Direct	64.71%	0.00%	0.00%	0.00%	35.25%	0.00%	100.00%
26	Human Resources	Direct	10.27%	0.00%	0.28%	84.80%	2.82%	1.82%	100.00%
27	Information Management	Direct	0.21%	0.07%	0.00%	58.42%	41.27%	0.03%	100.00%
28	Integrated Supply Chain	Direct	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
29	Internal Audit	Direct	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
30	Law Department	Direct	4.06%	1.81%	0.00%	27.32%	64.71%	2.09%	100.00%
31	Operations	Direct	0.00%	0.00%	0.00%	98.35%	1.65%	0.00%	100.00%
32	Power Marketing	Direct	0.00%	0.00%	0.00%	96.21%	3.79%	0.00%	100.00%
33	Spain Solar	Direct	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
34	Support Services	Direct	0.00%	0.00%	0.00%	85.34%	14.66%	0.00%	100.00%
35	Payroll Loaders, Taxes and Benefits	Direct	7.07%	0.73%	0.06%	59.79%	31.94%	0.41%	100.00%
36	Third Party and Other	Direct	29.52%	0.00%	70.48%	0.00%	0.00%	0.00%	100.00%
37									
38	Total		3.18%	0.29%	0.12%	80.95%	15.30%	0.16%	100.00%

NOTES - Amounts reflected above represent billings from NextEra Energy Resources, LLC to its affiliates for the period October 1, 2010 through September 30, 2011. Since projected affiliate billings were not developed for the final rate period ended March 31, 2014, this historical data is being provided to demonstrate that the prices charged to Lone Star by NextEra Energy Resources, LLC are not higher than the prices charged by NextEra Energy Resources, LLC for the same class of items to other affiliates.

- Amounts reflected as Direct include both Direct Billed and Direct Assigned billings

WITNESS: CHERYL L. DIETRICH

V-K-12B - FINAL

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC
V-K-12C AMOUNTS BILLED TO EACH AFFILIATE - FINAL
AMOUNTS BILLED BY FLORIDA POWER & LIGHT COMPANY TO AFFILIATES
FOR THE FINAL RATE PERIOD ENDED MARCH 31, 2014
DOCKET NO.

Line No.	Functional Area	Billing Method	1	2	3	4	5	6	7	8	9	10
				LST	NEET	NHI	NEER	FBNT	FPLES	NextEra Energy	Capital Holdings	TOTAL
1	Accounting and Finance	Direct		\$ 4,757	\$ -	\$ 46	\$ 8,113,399	\$ 483,675	\$ 984,999	\$ 22,987	\$ 3,141,718	\$ 12,751,581
2	Affiliate Management Fee	Allocated		38,207	-	76,337	62,796,604	1,944,813	797,672	-	2,158,260	67,811,892
3	Corporate Communications	Direct		-	-	-	713,077	14,527	6,447	-	2,292	736,343
4	Customer Service	Direct		-	-	-	69,138	1,297	77,013	-	-	147,447
5	Distribution	Direct		-	-	-	29,883	1,449,101	-	18,992	-	1,497,976
6	Energy Marketing & Trading	Direct		-	-	-	5,867,236	-	6,043,604	-	-	11,910,840
7	Engineering, Construction and Corporate Services (E&C, ISC, CRE)	Direct		171,987	61	7,932	3,107,187	704,602	-	5,149	47,595	4,044,512
8	Executive	Direct		-	1,797	-	5,246,781	105,516	52,834	-	2,077,299	7,484,226
9	External Affairs	Direct		-	-	-	1,575	626	-	-	-	2,201
10	Human Resources	Direct		6,626	-	-	1,772,468	76,272	66,985	-	3,604,989	5,527,339
11	Information Management	Direct		20,329	-	1,748	9,647,077	868,687	93,350	187,461	187,462	11,006,114
12	Internal Audit	Direct		15,782	-	-	1,041,520	6,471	2,779	-	988	1,067,540
13	Law Department	Direct		126,116	-	38,243	1,932,505	49,560	6,208	-	5,119,606	7,272,238
14	Nuclear Division	Direct		47	-	-	3,470,877	-	-	-	-	3,470,924
15	Power Generation Division	Direct		-	-	-	1,706,131	250	-	-	-	1,706,381
16	Project Development	Direct		-	-	-	11,690	-	-	-	-	11,690
17	Regulatory Affairs	Direct		112,338	3,010	314	5,585	2,934	-	-	-	124,182
18	Strategy Policy and Process Improvement	Direct		-	-	-	714,808	21,655	11,659	1,512,353	88,503	2,348,978
19	Transmission & Substation	Direct		263,004	2,412	559,110	1,241,848	800,588	-	-	-	2,866,963
20	Payroll Loaders	Direct		189,370	73	228,775	3,916,065	173,668	368,023	237,536	20,396	5,133,907
21	Third Party and Other	Direct		3,356	34,453	7,122	18,964	-	-	-	1,150,789	1,214,684
22												
23	Total		\$	\$51,917	\$ 41,806	\$ 919,629	\$ 111,424,417	\$ 6,704,242	\$ 8,511,572	\$ 1,984,478	\$ 17,599,896	\$ 148,137,938

Line No.	Functional Area	Billing Method	LST	NEET	NHI	NEER	FBNT	FPLES	NextEra Energy	Capital Holdings	TOTAL
24	Accounting and Finance	Direct	0.04%	0.00%	0.00%	63.63%	3.79%	7.72%	0.18%	24.64%	100.00%
25	Affiliate Management Fee	Allocated	0.06%	0.00%	0.11%	92.60%	2.87%	1.18%	0.00%	3.18%	100.00%
26	Corporate Communications	Direct	0.00%	0.00%	0.00%	96.84%	1.97%	0.88%	0.00%	0.31%	100.00%
27	Customer Service	Direct	0.00%	0.00%	0.00%	46.89%	0.88%	52.23%	0.00%	0.00%	100.00%
28	Distribution	Direct	0.00%	0.00%	0.00%	1.99%	96.74%	0.00%	1.27%	0.00%	100.00%
29	Energy Marketing & Trading	Direct	0.00%	0.00%	0.00%	49.26%	0.00%	50.74%	0.00%	0.00%	100.00%
30	Engineering, Construction and Corporate Services (E&C, ISC, CRE)	Direct	4.25%	0.02%	0.20%	76.82%	17.42%	0.00%	0.13%	1.18%	100.00%
31	Executive	Direct	0.00%	0.00%	0.00%	70.10%	1.41%	0.71%	0.00%	0.00%	100.00%
32	External Affairs	Direct	0.12%	0.00%	0.00%	32.07%	1.38%	1.21%	0.00%	65.22%	100.00%
33	Human Resources	Direct	0.18%	0.00%	0.02%	87.65%	7.89%	0.85%	1.70%	0.09%	100.00%
34	Information Management	Direct	1.48%	0.00%	0.00%	97.56%	0.61%	0.26%	0.00%	70.40%	100.00%
35	Internal Audit	Direct	1.73%	0.00%	0.53%	26.57%	0.68%	0.09%	0.00%	0.00%	100.00%
36	Law Department	Direct	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
37	Nuclear Division	Direct	0.00%	0.00%	0.00%	99.99%	0.01%	0.00%	0.00%	0.00%	100.00%
38	Power Generation Division	Direct	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
39	Project Development	Direct	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
40	Regulatory Affairs	Direct	90.46%	2.42%	0.25%	4.50%	2.36%	0.00%	0.00%	3.77%	100.00%
41	Strategy Policy and Process Improvement	Direct	0.00%	0.00%	0.00%	30.43%	0.92%	0.00%	64.38%	0.00%	100.00%
42	Transmission & Substation	Direct	9.17%	0.08%	19.50%	43.32%	27.92%	0.00%	0.00%	0.00%	100.00%
43	Payroll Loaders	Direct	3.69%	0.00%	4.46%	76.28%	3.38%	7.17%	4.63%	0.00%	100.00%
44	Third Party and Other	Direct	0.28%	2.84%	0.59%	1.56%	0.00%	0.00%	0.00%	94.74%	100.00%
45											
46	Total		0.64%	0.03%	0.62%	75.22%	4.53%	5.75%	1.34%	11.88%	100.00%

NOTES: - Amounts reflected above represent billings from Florida Power & Light Company to its affiliates for the period October 1, 2010 through September 30, 2011. Since projected affiliate billings were not developed for the final rate period ended March 31, 2014, this historical data is being provided to demonstrate that the prices charged to Lone Star by Florida Power & Light Company are not higher than the prices charged by Florida Power & Light Company for the same class of items to other affiliates.

- Amounts reflected as Direct include both Direct Billed and Direct Assigned billings.

WITNESS: CHERYL L. DIETRICH

V-K-12C - FINAL

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 40020
LONE STAR TRANSMISSION, LLC
TRANSMISSION AND DISTRIBUTION UTILITY CUSTOMER SERVICES

Sponsor: None

This Schedule is not applicable to the Applicant in this proceeding.

SECTION VII – CONFIDENTIALITY

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 40020
LONE STAR TRANSMISSION, LLC

Please refer to the Proposed Protective Order and Statement of Confidentiality as reflected in Section VII of the Schedules (Interim).

WORKPAPERS
TO
DIRECT TESTIMONY
OF
MICHAEL G. GRABLE

Workpapers to the Direct Testimony of Michael G. Grable are attached.

Confidential and/or Highly Sensitive Workpapers will be provided pursuant to the terms of the Protective Order.

Trammell, Ben

From: Thompson, Brenda
 Sent: Thursday, November 17, 2011 7:15 AM
 To: Trammell, Ben
 Cc: Nelson, Christopher
 Subject: Lone Star FTE's
 Attachments: image001.jpg

Ben,
 Below is the E&C FTE information requested. If you have any questions, please give me a call. Thanks.

E&C

OWNER	Total FTE's per Year	Number of Years	Total FTE's
Project Controls	1.7	4.0	7
Engineering	4.0	3.0	12
Procurement	1.0	2.0	2
Project Management	1.4	2.5	4
	8		24

CONSTRUCTION	Total FTE's per Year	Number of Years	Total FTE's
Site Construction Team	24	3	60
Irby	187	1	187
Blattner	204	2	331
Dashlell	90	3	226
Peak/Sam/Other	26	3	65
	531		869

Brenda Thompson
 Project Controls Specialist
 (561) 304-5440



TOTAL PROJECT FTE's

OWNER 24
 CONSTRUCTION 869

TOTAL 893

RIMS II Multipliers (2008/2008)
 Table 3.5 Total Multipliers for Output, Earnings, Employment, and Value Added by State
 6 - Utilities* (Type II)

STATE	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
1. Alabama	1.6035	0.2927	6.7433	0.8579	1.6782	3.1227
2. Alaska	1.6298	0.3020	6.1412	0.9448	1.9845	2.6478
3. Arizona	1.4083	0.2890	6.1326	0.8160	1.7225	2.7657
4. Arkansas	1.4204	0.2825	5.3390	0.8113	1.7004	2.5880
5. California	1.7177	0.3140	4.7898	0.9952	2.3954	4.0024
6. Colorado	1.8544	0.3715	6.4968	1.0741	2.4389	3.8147
7. Connecticut	1.3020	0.2324	3.2357	0.7534	1.5888	2.4981
8. Delaware	1.3561	0.2253	3.7764	0.7777	1.6919	2.4768
9. District of Columbia	1.1103	0.0400	0.4913	0.8419	1.3092	1.6341
10. Florida	1.3987	0.2891	6.5051	0.8096	1.7216	2.7348
11. Georgia	1.4103	0.2749	4.9842	0.8117	1.7694	2.9172
12. Hawaii	1.3287	0.2583	4.8233	0.7680	1.5913	2.3184
13. Idaho	1.2868	0.2320	4.8591	0.7425	1.5500	2.2885
14. Illinois	1.6022	0.2858	4.8006	0.8552	1.9463	3.3326
15. Indiana	1.4402	0.2714	5.2287	0.8139	1.7641	2.8091
16. Iowa	1.2579	0.2221	4.1009	0.7197	1.4573	2.1053
17. Kansas	1.6395	0.2665	5.1371	0.8832	1.8861	2.8770
18. Kentucky	1.6032	0.2796	5.7969	0.8506	1.8298	2.7962
19. Louisiana	1.6982	0.3295	6.1139	0.9776	2.1336	3.2636
20. Maine	1.3605	0.2753	6.5838	0.7846	1.6526	2.5913
21. Maryland	1.3589	0.2540	3.9813	0.7871	1.6846	2.9780
22. Massachusetts	1.3088	0.2249	3.1724	0.7570	1.6560	2.6761
23. Michigan	1.3844	0.2648	4.7369	0.7953	1.7598	2.8990
24. Minnesota	1.3710	0.2555	4.6544	0.7829	1.6780	2.6994
25. Mississippi	1.4817	0.2870	6.0370	0.8433	1.7449	2.6610
26. Missouri	1.3696	0.2264	4.3349	0.7849	1.7485	2.6858
27. Montana	1.5521	0.2943	6.0059	0.8905	1.8827	3.0498
28. Nebraska	1.2209	0.1883	2.8328	0.7022	1.4779	2.8488
29. Nevada	1.2446	0.2037	3.4088	0.7212	1.5420	2.3807
30. New Hampshire	1.3059	0.2326	3.8329	0.7576	1.5882	2.5566
31. New Jersey	1.3441	0.2262	3.4167	0.7730	1.7060	2.7617
32. New Mexico	1.6417	0.3183	6.3982	0.9464	2.0166	3.0108
33. New York	1.3038	0.2309	3.2708	0.7545	1.5464	2.3308
34. North Carolina	1.3145	0.2413	4.6050	0.7556	1.6132	2.5171
35. North Dakota	1.5598	0.2867	4.9804	0.8982	1.9391	2.8900
36. Ohio	1.5196	0.2828	5.4830	0.8867	1.9538	3.2721
37. Oklahoma	1.8881	0.3464	6.6799	1.0900	2.8047	4.4384
38. Oregon	1.3063	0.2246	4.1289	0.7529	1.6262	2.7280
39. Pennsylvania	1.5812	0.3029	5.1941	0.9010	2.0644	3.8525
40. Rhode Island	1.2468	0.1789	3.0346	0.7195	1.5967	2.6809

(Continued)

- Each entry in column 1 represents the total dollar change in output that occurs in all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 - Each entry in column 2 represents the total dollar change in earnings of households employed by all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 - Each entry in column 3 represents the total change in number of jobs that occurs in all industries within the state for each additional million dollars of output delivered to final demand by the selected industry. Because the employment multipliers are based on regional data, the output delivered to final demand should be in regional year dollars.
 - Each entry in column 4 represents the total dollar change in value added that occurs in all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 - Each entry in column 5 represents the total dollar change in earnings of households employed by all industries within the state for each additional dollar of earnings paid directly to households employed by the selected industry.
 - Each entry in column 6 represents the total change in number of jobs in all industries within the state for each additional job in the selected industry.
- NOTE.—Multipliers are based on the 2008 Annual Input-Output Table for the Nation and 2008 regional data.
 SOURCE.—Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

RIMS II Multipliers (2008/2008)
 Table 3.5 Total Multipliers for Output, Earnings, Employment, and Value Added by State
 6 - Utilities* (Type II)

STATE	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
41. South Carolina	1.3605	0.2497	6.2594	0.7826	1.7044	2.7668
42. South Dakota	1.2372	0.2234	4.2202	0.7105	1.4045	1.9828
43. Tennessee	1.4380	0.2787	6.3502	0.8215	1.7680	2.6060
44. Texas	1.8990	0.3823	6.3751	1.0904	2.5033	4.6764
45. Utah	1.7683	0.3426	7.0125	1.0143	2.3410	4.0913
46. Vermont	1.2894	0.2118	3.9407	0.7324	1.5847	2.7992
47. Virginia	1.4379	0.2648	4.3992	0.8268	1.7959	3.1767
48. Washington	1.3948	0.2642	4.6870	0.7982	1.7228	2.8462
49. West Virginia	1.6848	0.2993	6.3306	0.9571	2.1086	3.3471
50. Wisconsin	1.3571	0.2638	4.8638	0.7768	1.8377	2.8737
51. Wyoming	1.6441	0.2897	6.2014	0.8868	1.8252	2.5798

TEXAS

FINAL DEMAND OUTPUT \$800 MILLION \times 1.8990 = \$1,520 M
 OR \$1.5B

HOUSEHOLD EARNINGS \$800 MILLION \times .3823 = \$305 M

EMPLOYMENT \$800 (MILLIONS) \times 6.3751 = 5100 JOBS
 (ALL INDUSTRIES)

DIRECT EFFECT JOBS 34 TX JOBS \times 4.6764
 = 159 JOBS

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries within the state for each additional million dollars of output delivered to final demand by the selected industry. Because the employment multipliers are based on regional data, the output delivered to final demand should be in regional year dollars.
 4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries within the state for each additional dollar of output delivered to final demand by the selected industry.
 5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries within the state for each additional dollar of earnings paid directly to households employed by the selected industry.
 6. Each entry in column 6 represents the total change in number of jobs in all industries within the state for each additional job in the selected industry.
- NOTE.—Multipliers are based on the 2008 Annual Input-Output Table for the Nation and 2008 regional data.
 SOURCE.—Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
DAVID K. TURNER

Workpapers to the Direct Testimony of David K. Turner are voluminous and are being provided in electronic format.

Confidential and/or Highly Sensitive Workpapers will be provided pursuant to the terms of the Protective Order.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
DANIEL MAYERS

Confidential Voluminous Workpapers to the Direct Testimony of Daniel Mayers
will be provided pursuant to the terms of the Protective Order.

See also WP-II-B-1 through II-B-3 Capex Component List.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
CHERYL L. DIETRICH

Workpapers to the Direct Testimony of Cheryl L. Dietrich are voluminous and are being provided in electronic format.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
THOMAS J. FLAHERTY

Workpapers to the Direct Testimony of Thomas J. Flaherty are voluminous and are being provided in electronic format.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
JULIE S. RICE

Workpapers to the Direct Testimony of Julie S. Rice are attached.

Confidential and/or Highly Sensitive Workpapers will be provided pursuant to the terms of the Protective Order.

FPL - All Employees only

**Health Risk Assessment
Summary Report**



**HEALTH MANAGEMENT
RESEARCH CENTER**

September 21, 2011

Glossary

Wellness Score

The wellness score is generated from three major components: mortality risks, health risks and preventive services compliance. The mortality risks based on age and gender account for 38% - 44% of the score. The health risks (e.g., smoking, physical activity, body mass index, etc) account for 50% of the score. Preventive services compliance accounts for the remaining 6% - 12% of the score.

Risk Status

The risks are listed in the Risk Profile Table and in the Description of High Risk Cuts. The population goal is to reduce the number of those at high risk and increase the number at low risk.

Health Risks Prioritized for an Individual

The number one prioritized risk for each individual is the risk that most influences that person's overall health and prospective medical costs and utilization. The risk order is influenced by the combination of risks for that individual as well as his or her age and gender. These are the risks which are recommended to be targeted for each individual.

Health Risks by Prevalence in the Population

Health risks are ranked based on those with the highest prevalence in your population. These are the risks recommended for population-wide programs.

Health Problems Self-Reported

These health problems are listed in order of prevalence reflecting self-report in Section I of this report.

Health Age Index

This index compares the appraised and achievable ages of a participant. The appraised age is a derived age corresponding to a person's health risks. The achievable age is a derived age calculated by modifying all health risks. If the difference between the appraised age and the achievable age is greater than 4, the person is considered to be high risk in this index.

Zero Risk Management

Intervention recommended for individuals with zero health risks. *This is the population of employees who report no health risks.*

HMRC Comparison

The comparison data is drawn from over 5 million HRAs in the HMRC database. Your company is matched at an individual level by age and gender.

Description of High Risk Cuts

Alcohol	Male: More than 14 drinks per week. Female: More than 7 drinks per week.
Blood Pressure	Systolic greater than 139 mmHg or diastolic greater than 89 mmHg; or self-report high or currently on blood pressure medication or under medical care for blood pressure.
Body Weight	Body Mass Index (BMI) equal to or greater than 27.5 kg/m ²
Cholesterol	Greater than 239 mg/dL
Existing Medical Conditions	Self-reported heart problems, cancer, diabetes, past stroke, chronic bronchitis/emphysema
Health Age Index	Greater than 4 – See Glossary for description
Illness Days	More than 5 days in the past year
Job Satisfaction	Disagree or strongly disagree
Life Satisfaction	Partly or not satisfied
Medication/Drug for Relaxation	Use almost every day or sometimes
Perceived Health	Fair or Poor
Physical Activity	Less than one time per week
Safety Belt Use	Less than 100 percent
Smoking	Current cigarette smoker
Stress	Greater than 20 (based on a composite score from answers to marital status, personal loss, life satisfaction, perception of health, hours of sleep, social ties); or selected "a lot" for effect of stress on personal health; or selected "often" for feel tense, anxious, or depressed.

Executive Summary

Total Population: 14,866
Number of HRA Participants: 7,104
Participation Rate: 47.8%

Demographic Information (p. 4)

Male Participants: 69.9%
Female Participants: 30.1%
Average Age of Participants: 44.7

Average Wellness Score (p. 5): 90.8

Risk Status (p. 6-7)

Low Risk (0-2 risks): 75.9%
Medium Risk (3-4 risks): 18.7%
High Risk (5+ risks): 5.4%
Average number of risks: 1.6

Health Risks by Prevalence in the Population (p. 8)

The three most prevalent health risks in the population are:
1. Body Weight, 46.7%
2. Blood Pressure, 25.3%
3. Stress, 13.4%

Health Risks Prioritized for Individuals (p. 9)

The top three prioritized health risks for individuals are:
1. Body Weight, 31.9%
2. Zero Risk Management, 26.1%
3. Existing Medical Conditions, 8.9%

Health Problems Self-Reported (p. 10)

The three most prevalent health problems self-reported by participants are:
1. Allergies, 25.0%
2. High Cholesterol, 22.9%
3. High Blood Pressure, 21.1%

Preventive Health Services (p. 11)

The preventive health services with the least compliance are:
Flu Shot, 46.0%; Colon Cancer Screen, 36.4%; Tetanus Shot, 22.7%

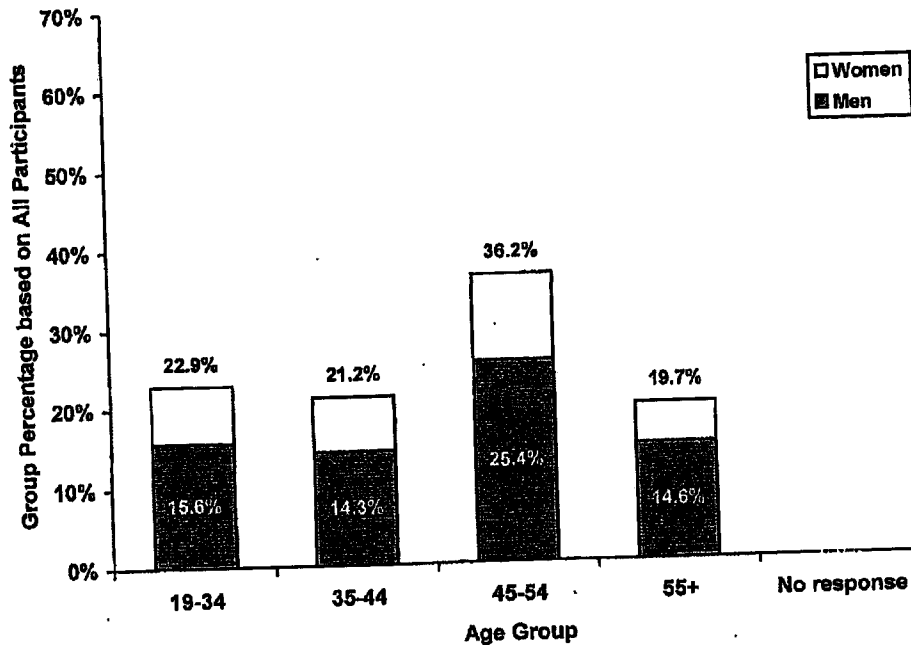
Health Enhancement Changes (p. 12-13)

The top three behaviors participants are planning to change during the next six months are:
1. Increase Physical Activity, 82.5% of the participants
2. Lose Weight (BMI), 72.7% of the participants
3. Reduce Fat/Cholesterol Intake, 62.5% of the participants

DEMOGRAPHICS

The following table provides a summary of your population and those who have participated in the Health Risk Assessment (HRA).

HRA Participants by Age and Gender



Total Eligible	14,866
Total HRA Participation	7,104
Participation Rate	47.8%
Average Age	44.7
Gender Distribution	
Male Participants	69.9%
Female Participants	30.1%

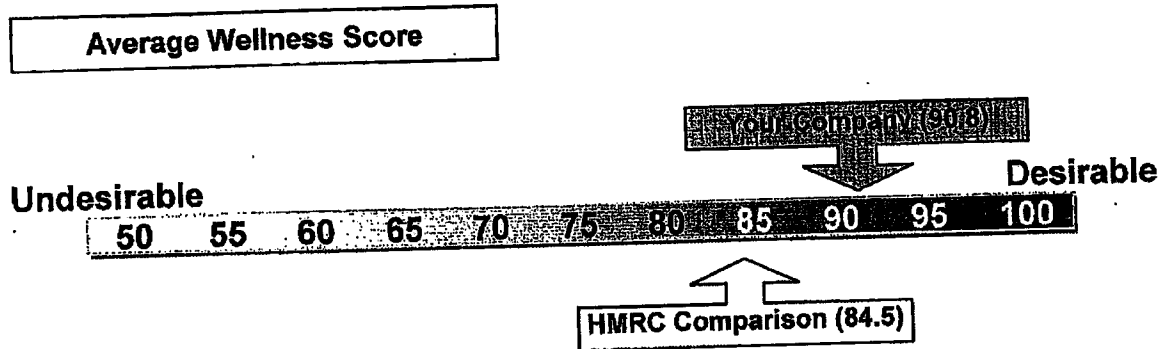
The target participation rate for a comprehensive wellness program should be 50% or more in any one year and 80% cumulative over 4 years.

- Since employee engagement is vital to the success of the program, this level of participation is necessary to impact desired outcome measures and to gauge the true health status of the population.

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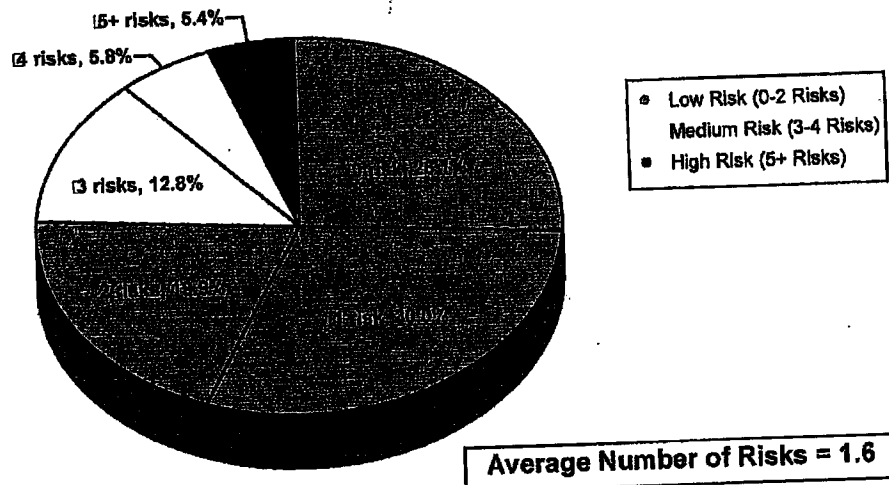
HMRC Wellness Score



This graphic represents the overall average Wellness Score for those who completed an HRA within the given time period.

- The HMRC Wellness Score is a combination of three components: use of preventive services; the total number of risk factors; and the interaction of the risk factors that lead to disease.
- The wellness score is reflective of a person's health behavior more than health status. A person can have a high wellness score despite having a chronic disease by taking measures to lead a healthy lifestyle. Individuals can alter their score by changing their health-related behaviors.
- Extensive research has linked wellness score to disease development and chances of an individual's use of the health care system over the next several years. A low wellness score is likely to precede healthcare utilization.
- In addition to its value to individuals, the HMRC Wellness Score average can be used as a general company-wide 'temperature of wellness' for those who participated, compared to a similar population in the HMRC database.

Overall Risk Distribution



Risk Factors

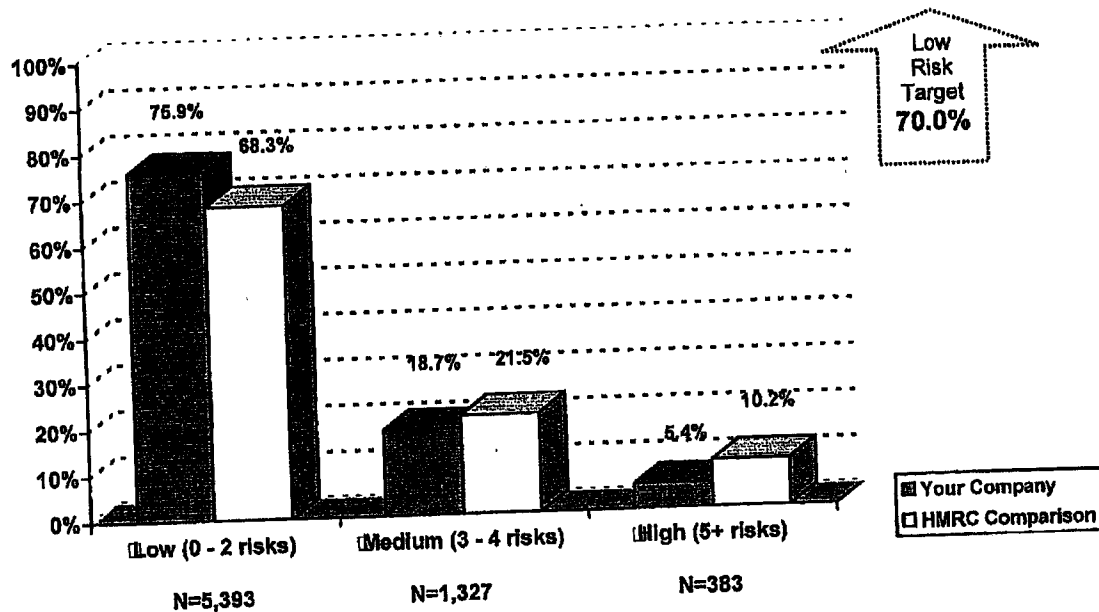
Risk factors can be viewed individually or as components of risk status.

- A complete list of the risk factors is found on page 2, along with the risk cuts.
- This information is important to guide population-based programs toward reaching the target goal of 70% (or higher) low risk.

Why are risk status and risk percentages important?

- Number of risks tends to increase as the potential for poor health tends to increase.
 - Frequently, risk accumulation happens prior to a medical event.
- Decreasing the number of risks is important, but so is the maintenance of good health and low risk.
 - Good wellness programs prevent the accumulation of additional risks.
 - "Just don't get worse" is a strategy that may prove useful to those individuals beginning a wellness program or to those who are low-risk.
 - The zero risk population is a subset of the low risk population. It represents a key portion of the population to be maintained through a preventive-oriented wellness program.

Risk Status



Low Risk Status

The Low Risk population is the core target group for the health maintenance strategy to "Keep Healthy People Healthy."

- The low risk population is typically the lowest cost population. However, this population will not remain low risk or low cost if ignored.
- The natural flow of health risk is toward increased risk and cost as participants age.
- Many health intervention programs do not address this low risk population. A good wellness program encourages participants to maintain a low risk lifestyle.

Programs that maintain the low risk population can reduce the rate of increasing risks and costs compared to those companies who have a 'Do Nothing' (natural flow) strategy.

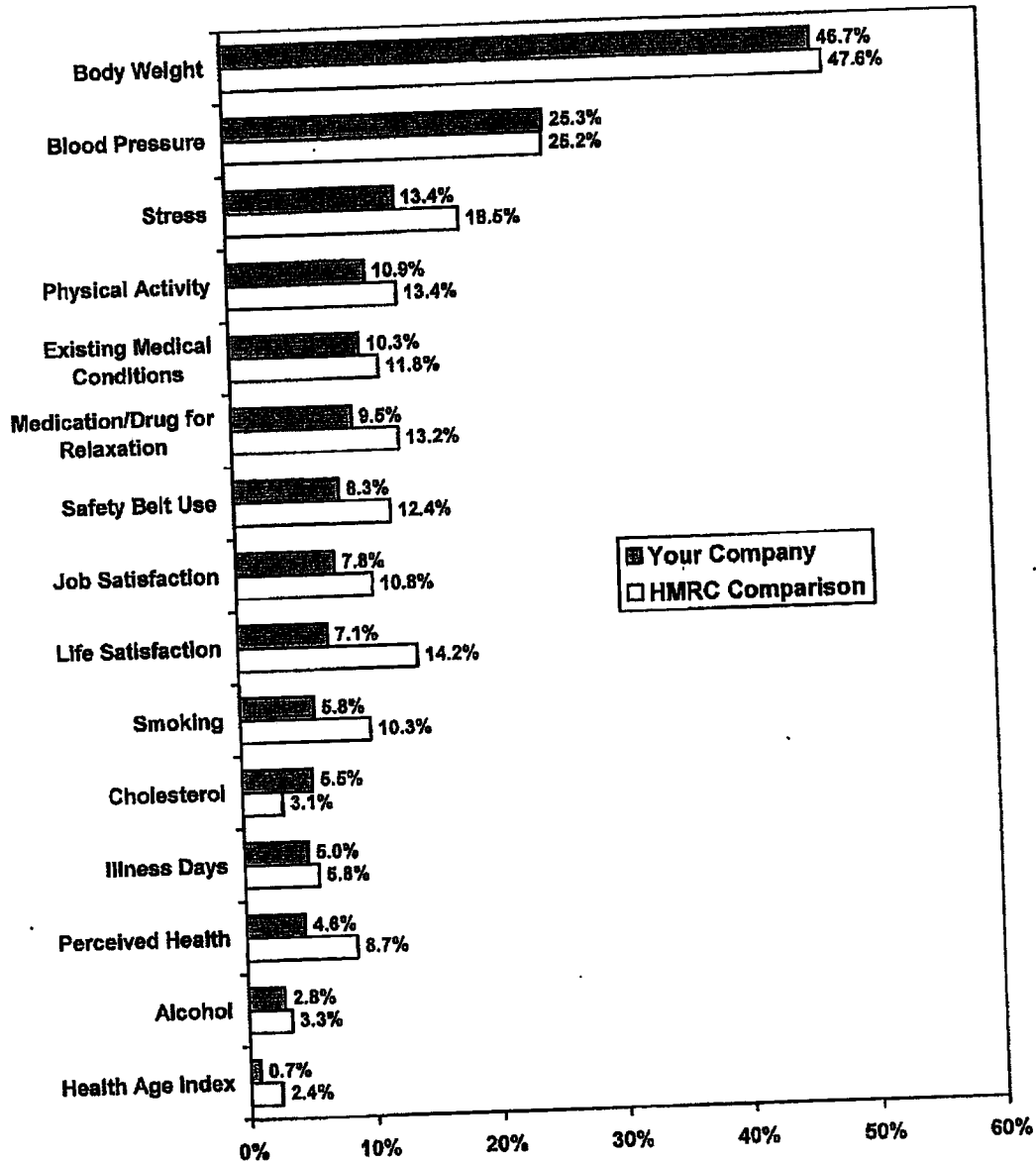
Addressing Risks through a Wellness Program

Risk stratification shown above summarizes overall health status. The following pages show Risk Prevalence and Prioritization within your population. Prevalence of individual risks provides deeper insight to employees' potential health problems. If the goal of a wellness program is to improve the individual's health, risk prevalence alone doesn't indicate areas of focus. Risk prioritization takes into account combinations of risks, determines which risks are more dangerous, and highlights risks expected to increase costs in the near future. Focusing your health promotion programs on the top prioritized risks should have the greatest impact on costs within the next 1-3 years.

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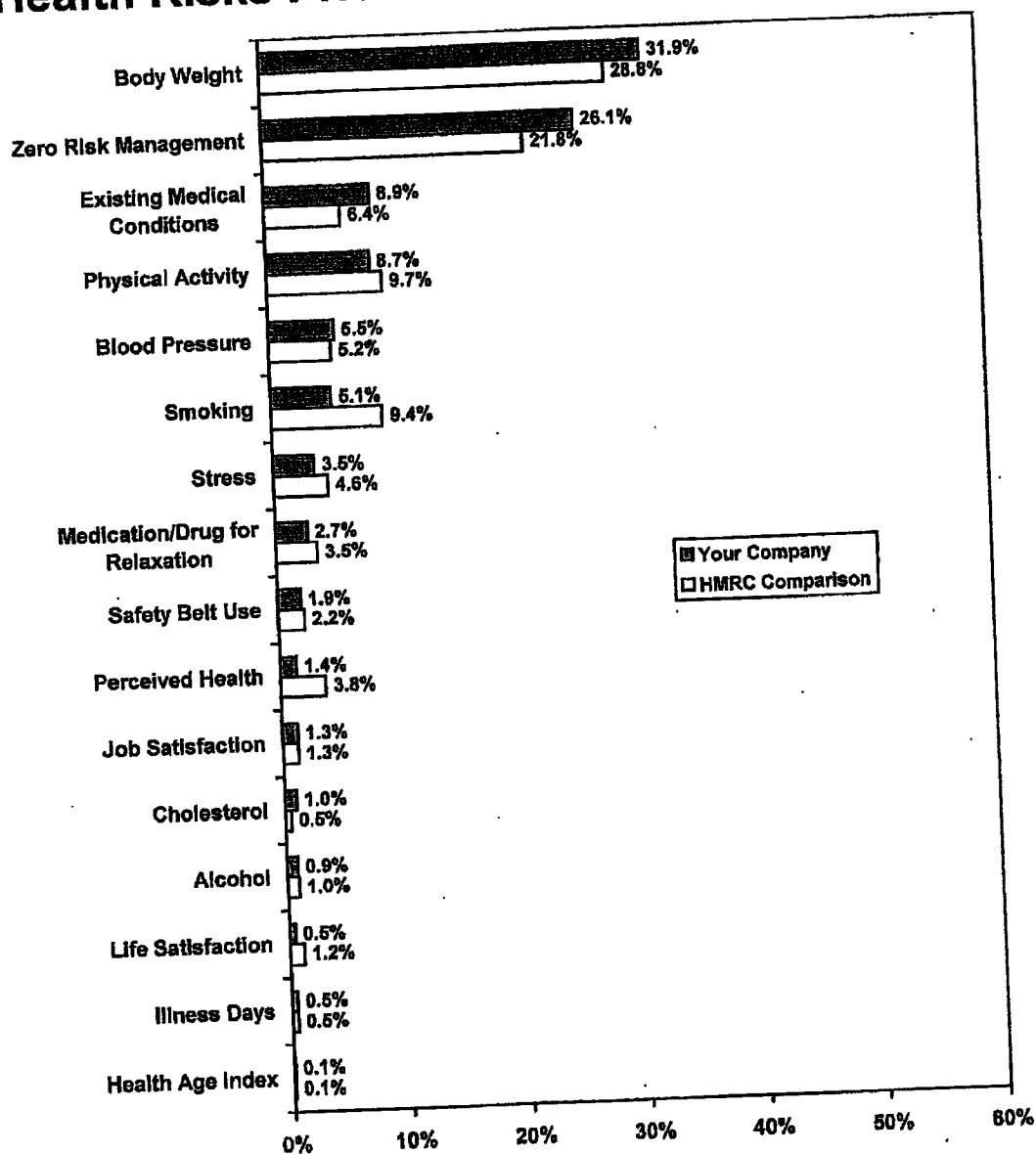
Prevalence of Health Risks



The prevalence of risks in your population is shown on the graph above. These risks should be addressed through population-based programs where everyone can participate ('no weight gain', 'know your numbers' and 'buckle-up' are examples).

- These programs should be marketed company-wide, easy to participate in and designed to create a healthy community.
- A healthy worksite environment will support such goals as healthy food choices, comprehensive benefit design (that encourages risk reduction), and knowledgeable management who are educated about, demonstrate, and encourage healthy behavior.

Health Risks Prioritized at the Individual Level



Individual-Based Intervention

The UM-HMRC prioritizes risks for each individual and communicates the top 3 prioritized risks on each individual's profile report following completion of the HRA.

- Risk prioritization is based on age, gender and responses to the HRA questions.
- The top prioritized health risk is the most important one for each individual to change to impact their overall health.
- Programs that address these risks may include one-on-one coaching, small support groups, or customizable tools.

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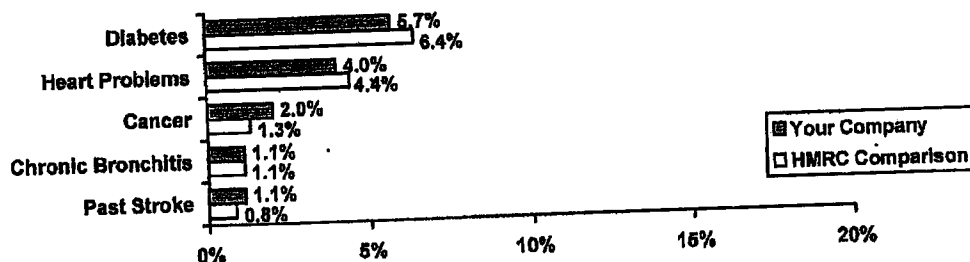
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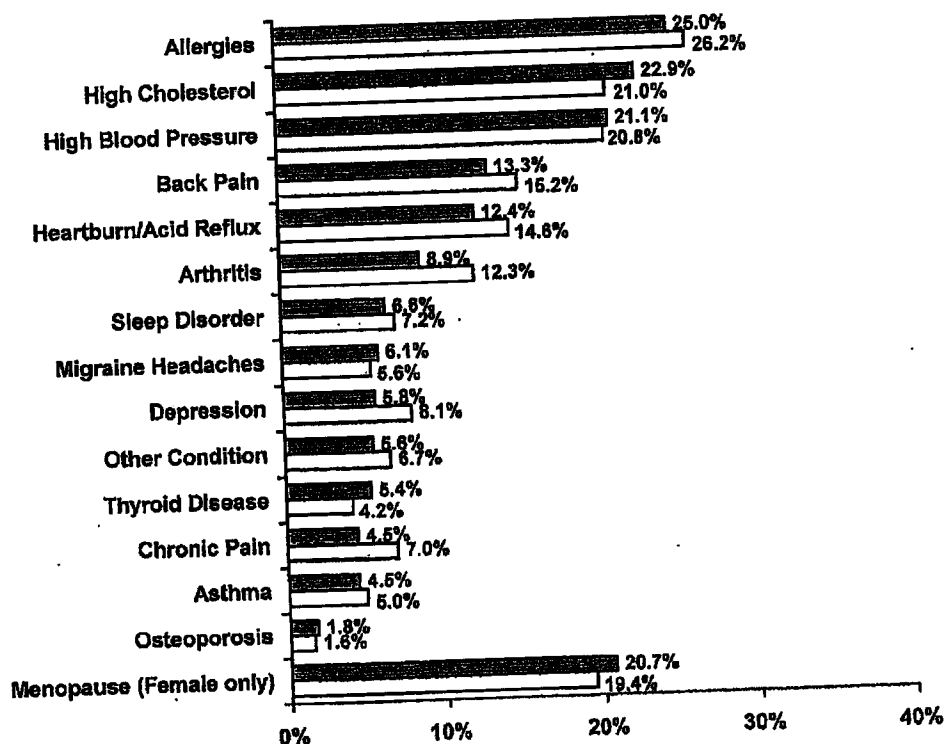
Self-Reported Health Problems

The figure below shows the prevalence of self-reported health problems within your population. These health problems should be addressed by creative benefit design programs which reward individuals for adherence to evidence-based medical and healthy lifestyle behaviors.

Major Diseases



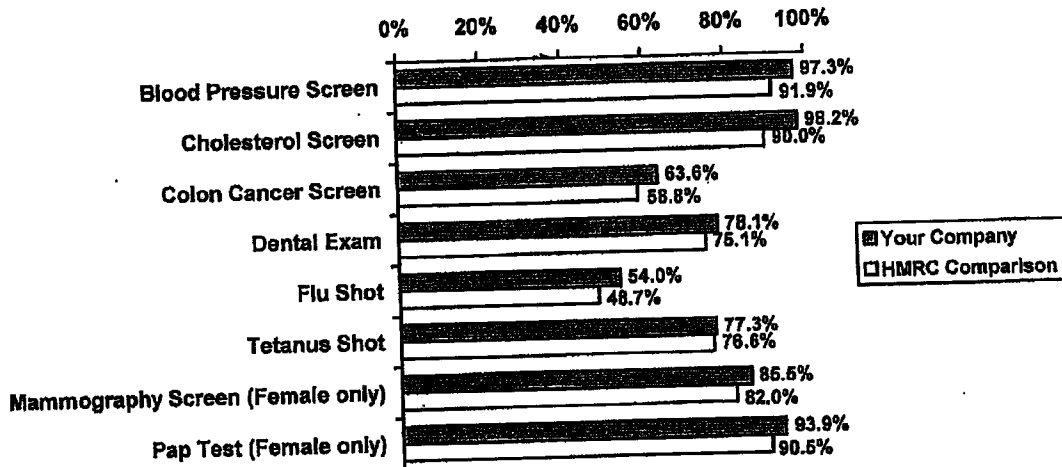
Other Common Conditions



Recommended Preventive Services*

The following preventive services are recommended for specific age and gender groups. Note that the compliance goal for all preventative services is 100%. Compliance with preventive services is one of the core healthy behaviors predictive of positive health outcomes.

Percent Compliant of those Eligible



Non-Compliant Preventive Services Criteria* and Eligible Population

	Eligible		Non-Compliant		
	Population	N	Criteria	N	%
Blood Pressure Screen	Age ≥ 18	7,103	Screened 2 or more years ago	194	2.7%
Cholesterol Screen	Male age ≥ 35 or Female age ≥ 45	4,989	Screened 5 or more years ago	92	1.8%
Colon Cancer Screen	Age ≥ 50	2,772	Screened 5 or more years ago	1,008	36.4%
Dental Exam**	All Ages	7,103	Exam 1 or more years ago	1,558	21.9%
Flu Shot	Age ≥ 50	2,772	Shot 1 or more years ago	1,276	46.0%
Tetanus Shot	All Ages	7,103	Never or don't know	1,615	22.7%
Mammography Screen	Female Age ≥ 40	1,385	Screened 2 or more years ago	201	14.5%
Pap Test	Female Age ≥ 18 and ≤ 65	2,119	Screened 3 or more years ago	129	6.1%

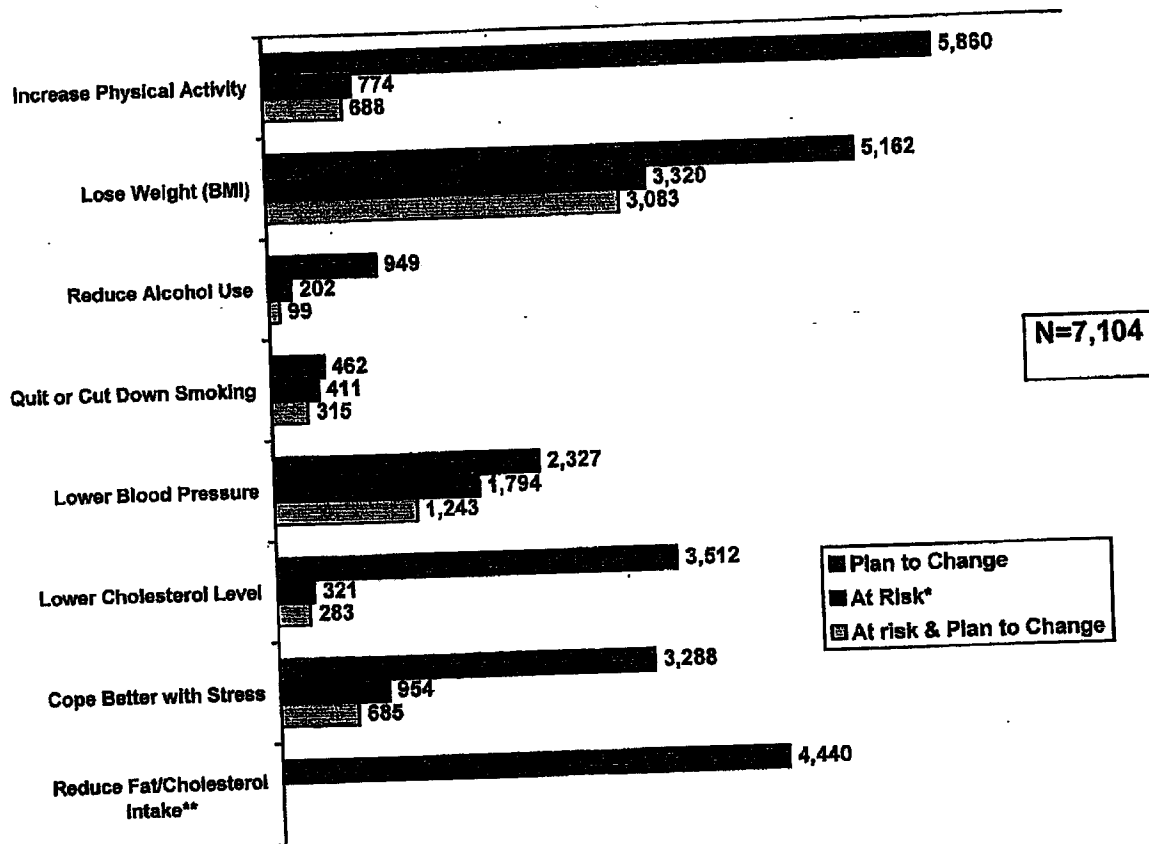
*Guide to Clinical Preventive Services, 2008. <http://www.shhs.gov/clinical/preventive.htm>

** Guidelines for the frequency of preventive dental care are not included in the current Guide to Clinical Preventive Services

Intended Behavior Changes in the Next Six Months

The table below shows people who are planning to change their health behavior over the next 6 months. Research has shown that individuals may benefit from wellness programming based on their intention and health risks.

Number of People Planning to Change



* 'At Risk' is the HMRC High Criteria Risk Cut. See Page Two.
 ** Fat/Cholesterol intake is not included in HMRC health risks.