

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost	)	DOCKET NO. 920001-EI
Recovery Clause and Generating	)	
Performance Incentive Factor	)	ORDER NO. 25718
	)	
	)	ISSUED: 2/12/92

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION

ORDER GRANTING MID-COURSE  
CORRECTION OF FUEL COST RECOVERY FACTOR

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On December 24, 1991, FPL filed a petition for adjustments to its Fuel Adjustment Factor to be effective for meter readings on or after February 3, 1992. The company stated in its petition that by the end of the current period it will experience an overrecovery of \$70 million. The overrecovery is due primarily to decreases in the unit price of heavy oil and natural gas which are less than the estimated system prices. This decrease in fuel cost accounts for \$47 million of the expected overrecovery. Approximately \$18 million is due to lower than expected interchange costs, which are due primarily to lower than expected economy purchases. The remaining \$5 million is due to miscellaneous changes in system net generation and fuel prices. The company requested a reduction in its levelized recovery factor from 2.093 cents per kwh to 1.904 cents per KWH for meter readings on or after February 3, 1992 through March 31, 1992.

DOCUMENT NUMBER-DATE

01544 FEB 12 1992

FPSC-RECORDS/REPORTING

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We approve the reduction requested by FPL. The company's petition was made in compliance with Order 13694 in Docket No. 840001-EI, where we established a mid-course correction procedure to prevent substantial fluctuations in customer bills resulting from unanticipated large over or under recoveries of fuel costs. The \$70 million represents 10.7% of FPL's jurisdictional system fuel expense for the period.

We have not yet conducted a prudence review of FPL's fuel estimates and expenditures, and we do not necessarily agree or disagree with FPL's figures at this time. Because of the substantial nature of the overrecovery, however, we believe that it is in the best interest of FPL's ratepayers to approve the mid-course correction now. We will review the prudence of FPL's fuel estimates and expenditures during the February 1992 hearings.

We have reviewed the factors derived for FPL's various rate classes and we find that they have been calculated using previously accepted methods. Attachment "A" to this order shows the levelized, on-peak and off-peak factors for each rate class and compares bills for 1,000 kWh of residential consumption before and after the mid-course correction.

The company has requested an effective date for meter readings on or after February 3, 1992 for the revised fuel adjustment factors. This effective date falls short of the normal 30-day notice period, but due to the magnitude of the projected overrecovery, it is preferable to implement the revised levelized fuel adjustment factors immediately.

It is therefore

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's Petition for Adjustment to its Fuel Adjustment Factors is hereby granted. It is further

ORDERED that the factors shown in Attachment "A" hereto are hereby approved, beginning with meters read on or after February 3, 1992. It is further

ORDERED that this docket remain open.

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By ORDER of the Florida Public Service Commission, this 12th  
day of FEBRUARY, 1992.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

MCB:bmi  
FPLMIDO.MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on 3/4/92.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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 of the effective date 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.

**TOTAL FUEL COST FOR THE PERIOD:** February 1992 - March 1992 ATTACHMENT A  
 Note: This schedule reflects a mid-course correction for PPL effective February 3, 1992.

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COMPANY	PROPOSED February 1992 - March 1992 Cents per kWh			PRESENT October 1991 - January 1992 Cents per kWh			DIFFERENCE			RESIDENTIAL LINE LOSS MULTIPLIER	PROPOSED RESIDENTIAL FUEL FACTOR
	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak		
Fla. Power & Light	1.904	2.081	1.834	2.093	2.270	2.024	-0.189	-0.189	-0.190	1.00123	1.906
Fla. Power Corp.	2.256	2.891	2.009	2.256	2.891	2.009	0.000	0.000	0.000	1.00420	2.265
Tampa Electric	2.698	3.116	2.569	2.698	3.116	2.569	0.000	0.000	0.000	1.01470	2.738
Gulf Power	2.056	2.161	2.019	2.056	2.161	2.019	0.000	0.000	0.000	1.01274	2.081
Fla. Public Marianna (1)	4.901	NA	NA	4.901	NA	NA	0.000	NA	NA	1.01260	4.963
Fernandina (1)(2)	6.160	NA	NA	6.160	NA	NA	0.000	NA	NA	1.00000	6.160

**COST FOR 1,000 KWH RESIDENTIAL SERVICE**

PRESENT: October 1991 - January 1992

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	44.96	50.34	42.87	17.22	19.20
Fuel (3)	20.96	22.65	27.38	20.81	49.63	61.60
Oil Backout	0.09	NA	0.81	NA	NA	NA
Energy Conservation	1.25	2.91	1.31	0.20	0.17	0.03
Capacity Recovery	6.69	NA	NA	NA	NA	NA
Gross Receipts Tax	0.59	0.54	0.61	0.49	0.51	0.62
<b>Total</b>	<b>178.96</b>	<b>171.06</b>	<b>180.65</b>	<b>164.37</b>	<b>167.53</b>	<b>181.45</b>

PROPOSED: February 1992 - March 1992

	Fla. Power & Light (4)	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	44.96	50.34	42.87	17.22	19.20
Fuel (3)	19.06	22.65	27.38	20.81	49.63	61.60
Oil Backout	0.09	NA	0.81	NA	NA	NA
Energy Conservation	1.25	2.91	1.31	0.20	0.17	0.03
Capacity Recovery	6.69	NA	NA	NA	NA	NA
Gross Receipts Tax	0.57	0.54	0.61	0.49	0.51	0.62
<b>Total</b>	<b>175.04</b>	<b>171.06</b>	<b>180.65</b>	<b>164.37</b>	<b>167.53</b>	<b>181.45</b>

DIFFERENCE

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	0.00	0.00	0.00	0.00	0.00	0.00
Fuel (3)	-1.90	0.00	0.00	0.00	0.00	0.00
Oil Backout	0.00	NA	0.00	NA	NA	NA
Energy Conservation	0.00	0.00	0.00	0.00	0.00	0.00
Capacity Recovery	0.00	NA	NA	NA	NA	NA
Gross Receipts Tax	-0.02	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>-1.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

(1) Fuel costs include purchased power demand costs of 2.025 for Marianna and 0.872 cents/KWH for Fernandina allocated to the residential class.  
 (2) All classes except GSLD. (3) Adjusted for line loss. (4) Reflects a mid-course correction effective February 3, 1992.

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FUEL ADJUSTMENT CENTS PER KW/H BASED ON LINE LOSSES BY RATE GROUP  
 Note: This schedule reflects a mid-course correction for PPL effective February 3, 1992.

FOR THE PERIOD: February 1992 - March 1992

COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER			WITH LINE LOSS MULTIPLIER		
			Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak
PP&L	A	RS-1,OS-1,SL-2	1.994	2.081	1.834	1.900	2.084	1.877
	A-1	SL-1,OL-1	1.874	NA	NA	1.876	NA	NA
	B	GSD-1	1.994	2.081	1.834	1.900	2.084	1.877
	C	GSLD-1,CS-1	1.994	2.081	1.834	1.900	2.084	1.877
	D	GSLD-1,CS-2,OS-1,MET	1.994	2.081	1.834	1.900	2.084	1.877
	E	GSLD-1,CS-3	1.994	2.081	1.834	1.900	2.084	1.877
PPC	A	Distribution Secondary Delivery	2.256	2.891	2.009	2.265	2.903	2.017
	A-1	OL-1,SL-1	2.174	NA	NA	2.183	NA	NA
	B	Distribution Primary Delivery	2.256	2.891	2.009	2.266	2.904	2.017
TECO	A	RS,OS,TS	2.698	3.116	2.569	2.738	3.162	2.607
	A-1	SL-1,2,3,OL-1,2	2.651	NA	NA	2.660	NA	NA
	B	GSD,GSLD	2.698	3.116	2.569	2.691	3.108	2.563
GULF	A	RS,GSD,OS-III,OS-IV	2.656	2.161	2.019	2.681	2.081	2.044
	B	LP	2.056	2.161	2.019	2.017	2.120	1.981
	C	PX	2.856	2.161	2.019	1.978	2.080	1.943
	D	OS-1,OS-2	2.050	NA	NA	1.912	NA	NA
PPUC	A	RS	6.160	NA	NA	6.160	NA	NA
	B	OS	6.000	NA	NA	6.000	NA	NA
	C	GSD	5.886	NA	NA	5.886	NA	NA
	D	OL,OL-2,SL-2,SL-3,CSL	5.535	NA	NA	5.535	NA	NA
	E	GSLD	5.535	NA	NA	5.535	NA	NA
MARIANA	A	RS	4.991	NA	NA	4.993	NA	NA
	B	OS	4.644	NA	NA	4.637	NA	NA
	C	GSD	4.220	NA	NA	4.204	NA	NA
	D	OL,OL-2	2.876	NA	NA	2.912	NA	NA
	E	SL-1,SL-2,SL-3	2.876	NA	NA	2.912	NA	NA

(1) Informational Purposes Only - GSLD class is billed actual fuel cost

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PROPOSED CAPACITY RECOVERY FACTORS  
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Rate Class	Florida Power & Light (Cents per kWh)
RS1	0.669
GS1	0.702
GSD1	0.628
OS2	0.433
GSLD1/CS1	0.578
GSLD2/CS2	0.524
GSLD3/CS3	0.473
IST1D	0.426
IST1T	0.455
ISST1D	0.508
SST1T	0.518
SST1D	0.396
CILCD	0.454
CILCT	0.384
MET	0.584
OL1/SL1	0.405
SL2	0.442

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**FUEL & PURCHASED POWER COST RECOVERY  
CLAUSE CALCULATION**

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Note: Schedule reflects a mid-course correction for PPL effective February 3, 1992.

ESTIMATED FOR THE PERIOD: February 1992 - March 1992

**FLORIDA POWER & LIGHT COMPANY**

CLASSIFICATION	Classification	Classification	Classification
	Associated	Associated	Associated
	\$	KWH	Cents/KWH
1. Fuel Cost of System Net Generation (E3)	130,909,388	7,388,411,000	1.77152
2. Sprol NUC Fuel Disposal Cost (E2)	3,752,000	3,587,493,000 (a)	0.10459
3. Coal Car Investment	66,868	0	0.00000
4. Adjustments to Fuel Cost	0	0	0.00000
<b>5. TOTAL COST OF GENERATED POWER</b>	<b>134,728,256</b>	<b>7,388,411,000</b>	<b>1.82351</b>
6. Fuel Cost of Purchased Power - Firm (E8)	60,809,500	3,230,300,000	1.88247
7. Energy Cost of Sch. C, X Economy Purchases (Broker) (E9)	4,297,400	182,700,000	2.35216
8. Energy Cost of Economy Purchases (Non - Broker) (E9)	5,746,500	232,700,000	2.46949
9. Energy Cost of Sch. E Purchases (E9)	0	0	0.00000
10. Capacity Cost of Sch. E Economy Purchases (E2)	0	0	0.00000
11. Payments to Qualifying Facilities (E8A)	6,319,000	281,900,000	2.24158
<b>12. TOTAL COST OF PURCHASED POWER</b>	<b>77,172,400</b>	<b>3,927,600,000</b>	<b>1.96457</b>
<b>13. TOTAL AVAILABLE KWH</b>		<b>11,316,011,000</b>	
14. Fuel Cost of Economy Sales (E7)	(1,639,300)	(50,000,000)	3.27860
15. Gain on Economy Sales - 80% (E7A)	(485,200)	(50,000,000)(a)	0.97040
16. Fuel Cost of Unit Power Sales (SL2 Partps) (E7)	(636,600)	(78,400,000)	0.81199
17. Fuel Cost of Other Power Sales (E7)	(827,300)	(26,700,000)	3.10075
<b>18. TOTAL FUEL COST AND GAINS OF POWER SALES</b>	<b>(3,589,000)</b>	<b>(155,100,000)</b>	<b>2.31399</b>
19. Net Inadvertent Interchange (E4)	0	0	0.00000
<b>20. TOTAL FUEL AND NET POWER TRANSACTIONS</b>	<b>208,311,656</b>	<b>11,160,911,000</b>	<b>1.86644</b>
21. Net Unbilled (E4)	(2,351,938)(a)	(126,012,000)	-0.02309
22. Company Use (E4)	624,940 (a)	33,483,000	0.00614
23. T & D Losses (E4)	15,227,590 (a)	815,863,000	0.14950
24. Adjusted System KWH Sales	208,311,656	10,185,553,000	2.04517
25. Wholesale KWH Sales	2,400,417	117,370,000	2.04517
<b>26. JURISDICTIONAL KWH SALES</b>	<b>205,912,239</b>	<b>10,068,183,000</b>	<b>2.04517</b>
27. Jurisdictional KWH Sales Adjusted for Line Loss - 1.00039	205,991,544	10,068,183,000	2.04597
28. True-up * (derived in Attachment C)	1,359,301	10,068,183,000	0.01350
28a. Oct 91 - March 92 In-period Adjustment	(19,750,000)	10,068,183,000	
<b>29. TOTAL JURISDICTIONAL FUEL COST</b>	<b>187,600,845</b>	<b>10,068,183,000</b>	<b>1.86330</b>
30. Revenue Tax Factor			1.01652
31. Fuel Cost Adjusted for Taxes			1.89410
32. GPIF*	980,683	10,068,183,000	0.00970
<b>33. Total fuel cost including GPIF</b>	<b>188,581,528</b>	<b>10,068,183,000</b>	<b>1.90380</b>
<b>34. TOTAL FUEL COST FACTOR ROUNDED TO THE NEAREST .001 CENTS PER KWH:</b>			<b>1.904</b>

\*Based on Jurisdictional Sales

Effective dates for billing purposes: February 3, 1992

(a) included for informational purposes only.