

**Steel Hector & Davis**

Tallahassee, Florida

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February 13, 1995

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399

**RE: DOCKET NO. 950007-EI**

Dear Ms. Bayo:

Enclosed for filing please find an original and fifteen (15) copies of Florida Power & Light Company's Prehearing Statement in the above-referenced docket.

Also enclosed is a formatted double sided high density 3.5 inch diskette containing Florida Power & Light Company's Prehearing Statement.

Very truly yours,

Matthew M. Childs, P.A.

MMC/ml

Enclosure

cc: All Parties of Record

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FPSC-RECORDS & REPORTING

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215 South Monroe  
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DOCUMENT NUMBER-DATE

01695 FEB 13 95

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost )  
Recovery Clause )

DOCKET NO. 950007-EI  
FILED: FEBRUARY 13, 1995

FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT

Pursuant to Order No. PSC-95-0076-PCO-EI, issued January 13, 1995, establishing the prehearing procedure in this docket, Florida Power & Light Company hereby submits its Prehearing Statement.

A. APPEARANCES

Matthew M. Childs, P.A.  
Steel Hector & Davis  
215 South Monroe Street  
Suite 601  
Tallahassee, FL 32301

B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
B. T. BIRKETT	ECRC Costs and Factors for April 1995 through September 1995	1-8
W. M. REICHEL	New Environmental Compliance Activities, Status of Projects	10A & 10B

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(B1B-1)	B. T. BIRKETT	Document 1/Environmental Compliance Cost Projections April 1995 - September 1995

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(BTB-2)	B. T. BIRKETT	Document 2/Calculation of Allocation by Rate Class
(BTB-3)	B. T. BIRKETT	Document 3/Calculation of Factors
(BTB-4)	B. T. BIRKETT	Document 4/Schedule of Capital Investment Depreciation and Return April 1995-September 1995
(BTB-5)	B. T. BIRKETT	Document 5/Calculation of Estimated Actual Variance October 1994 - March 1995
(BTB-6)	B. T. BIRKETT	Document 6/Estimated/Actual Environmental Compliance Costs October 1994-March 1995
(BTB-7)	B. T. BIRKETT	Document 7/Calculation of Over/Under Recovery October 1994-March 1995
(BTB-8)	B. T. BIRKETT	Document 8/Schedule of Capital Investment Depreciation and Return October 1994-March 1995
(WMR-1)	W. M. REICHEL	Document 1/Clean Air Act Amendments of 1990, Public Law 101-549
(WMR-2)	W. M. REICHEL	Document 2/40 CFR Part 75.10
(WMR-3)	W. M. REICHEL	Document 3/40 CFR Part 75, Appendix B
(WMR-4)	W. M. REICHEL	Document 4/Resource Conservation and Recovery Act (RCRA) Section 3004(u)
(WMR-5)	W. M. REICHEL	Document 5/Resource Conservation and Recovery Act (RCRA) Section 3008(h)

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(WMR-6)	W. M. REICHEL	Document 6/Letter from the U.S. EPA to FPL regarding corrective action
(WMR-7)	W. M. REICHEL	Document 7/Project Description and Progress Report

**D. STATEMENT OF BASIC POSITION**

None Necessary

**E. STATEMENT OF ISSUES AND POSITIONS**

1. What is the appropriate final environmental cost recovery true-up amount for the period April, 1994 through September, 1994?

**FPL:** \$111,561 overrecovery for the period including interest.

2. What is the estimated environmental cost recovery true-up amount for the period October, 1994 through March, 1995?

**FPL:** \$351,379 overrecovery for the period including interest.

3. What is the total environmental cost recovery true-up amount to be collected during the period April, 1995 through September, 1995?

**FPL:** \$462,940 net overrecovery.

4. What is the appropriate projected environmental cost recovery amount to be included in the recovery factors for the period April, 1995 through September, 1995?

**FPL:** The appropriate projected environmental cost recovery amount to be collected during the period is \$3,956,201. This amount consists of \$4,356,494 of projected environmental compliance cost for the period net of the prior period overrecovery.

5. What should be the effective date of the new environmental cost recovery factors for billing purposes?

**FPL:** The Company is requesting that these new charges become effective starting with meter readings scheduled to be read on or after April 1, 1995 (Cycle Day 3) and continue through September 30, 1995 (Cycle Day 2). Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed six months regardless of when the factor becomes effective.

6. What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected during the period April, 1995 through September 1995?

**FPL:** The depreciation rates should be those currently prescribed by the Commission during the period the allowed capital investment is in service.

7. How should the costs for the two newly proposed environmental compliance activities be allocated to the rate classes?

**FPL:** The cost of the operation and maintenance of the Continuous Emission Monitoring System should be allocated on an energy basis consistent with Order No. PSC-94-0393-FOF-EI, and the cost of the Corrective Action Program should be allocated on a demand basis consistent with similar costs in FPL's last cost of service study.

8. What are the appropriate Environmental Cost Recovery Factors for the period April, 1995 through September, 1995 for each rate group?

<b>FPL:</b>	Rate Class	Environmental Recovery Factor (\$/KWH)
	RS1	0.00010
	GS1	0.00010
	GSD1	0.00010
	OS2	0.00009
	GSLD1/CS1	0.00010
	GSLD2/CS2	0.00009
	GSLD3/CS3	0.00009
	ISST1D	0.00010
	SST1T	0.00009

Rate Class	Environmental Recovery Factor (\$/KWH)
SST1D	0.00009
CILC D/CILC G	0.00009
CILC T	0.00009
MET	0.00010
OL1/SL1	0.00008
SL2	0.00009

**COMPANY SPECIFIC ISSUES**

10A. Should the Commission approve FPL's request to recover the cost of the Corrective Action Program through the Environmental Cost Recovery Clause?

**FPL:** Yes. The expenses are required to comply with the Hazardous and Solid Waste Amendments of 1984 (HSWA), which revised the Resource Conservation and Recovery Act. All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism; and were not considered at the time of FPL's last rate case.

10B. Should the Commission approve FPL's request to recover the cost of the Operation and Maintenance of the Continuous Emission Monitoring Systems through the Environmental Cost Recovery Clause?

**FPL:** Yes. The expenses are required to comply with the Clean Air Act Amendments of 1990 (Title IV). All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism; and were not considered at the time of FPL's last rate case.

**F. STIPULATED ISSUES**


None at this time.

G. MOTIONS

FPL is aware of no outstanding Motions at this time.

Respectfully submitted,

STEEL HECTOR & DAVIS  
215 South Monroe Street  
Suite 601  
Tallahassee, FL 32301  
Attorneys for Florida Power  
& Light Company

By:   
Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE**

**DOCKET NO. 950007-EI**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Prehearing Statement has been furnished by Hand Delivery (\*\*) and U. S. Mail this 13th day of February, 1995, to the following:

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