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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. 950001-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.

- ACK
- AFA  MMC/ml
- APP
- CAF  Enclosure
- CMU  cc: All Parties of Record
- CTP
- EAC  Dudley - 5
- LLS  1
- LPI  4
- CFC  [unclear]
- RCH
- SL
- V

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Investigation Of Fuel ) DOCKET NO. 950001-EI  
Cost Recovery Clauses Of )  
Electric Companies ) FILED: FEBRUARY 13, 1995

FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT

Pursuant to Order No. PSC-95-0106-PCO-EI, issued January 20, 1995, establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

A. APPEARANCES

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B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
R. SILVA C. VILLARD B. T. BIRKETT	Fuel Adjustment, True-Up and Projections	1,2,3 4,5,6,7,7a 7b
R. SILVA	GPIF, True-Up and Projections	8,9
B. T. BIRKETT	Oil Backout, True-Up and Projections	10,11 12,13
B. T. BIRKETT	Capacity Cost Recovery, True-Up and Projections	14,15,16, 17,18

**C. EXHIBITS**

<b><u>EXHIBITS</u></b>	<b><u>WITNESS</u></b>	<b><u>DESCRIPTION</u></b>
(BTB-1)	B. T. BIRKETT	Appendix I/Fuel Cost Recovery True-Up Calculation
(BTB-2)	B. T. BIRKETT	Appendix II/Capacity Cost Recovery True-Up Calculation
(BTB-3)	B. T. BIRKETT	Appendix III/Oil Backout Cost Recovery True-Up Calculation
(BTB-4)	B. T. BIRKETT	Appendix IV/A Schedules October 1993 - March 1994
(RS-1)	R. SILVA	Appendix I/Fuel Cost Recovery Forecast Assumptions
(BTB-5)	B. T. BIRKETT	Appendix II/Fuel Cost Recovery Calculation of Factor
(BTB-6)	B. T. BIRKETT	Appendix III/Fuel Cost Recovery Estimated/Actual True-Up Calculation
(BTB-7)	B. T. BIRKETT	Appendix IV/Capacity Cost Recovery Calculation of Factors
(BTB-8)	B. T. BIRKETT	Appendix V/Oil Backout Cost Recovery Calculation of Factor
(RS-2)	R. SILVA	Document No. 1/GPIF Results
(RS-3)	R. SILVA	Document No. 1/GPIF Targets and Ranges
(BTB-9)	B. T. BIRKETT	Rebuttal Document No. 1 Fuel Cost Recovery, Equipment Modifications-Present Value Calculation
(RS-4)	R. SILVA	Rebuttal Document No. 1 Fuel Cost Recovery Estimated/Actual Period
(RS-5)	R. SILVA	Rebuttal Document No. 2 Fuel Cost Recovery Natural Gas Comparison

D. STATEMENT OF BASIC POSITION

None Necessary.

E. STATEMENT OF ISSUES AND POSITIONS

**FUEL ADJUSTMENT ISSUES**

1. What is the final fuel true-up amount for the period April 1, 1994 through September 30, 1994?

**FPL:** \$6,684,993 underrecovery. (BIRKETT)

2. What is the estimated/actual fuel true-up amount for the period October 1, 1994 through March 31, 1995 based upon two months actual and four months revised estimates?

**FPL:** \$21,299,545 overrecovery. (BIRKETT)

3. What is the total fuel true-up to be refunded during the period April 1, 1995 through September 30, 1995?

**FPL:** \$14,614,552 overrecovery. (BIRKETT)

4. What should be the effective date of the new fuel adjustment charge, oil backout cost recovery charge, conservation cost recovery charge, and capacity cost recovery charge 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 for six months regardless of when the adjustment factor became effective. (BIRKETT)

5. What is the appropriate levelized fuel adjustment factor for the period April 1, 1995 through September 30, 1995?

**FPL:** 1.744 cents/kwh is the levelized recovery charge. (BIRKETT)

6. What are the appropriate Fuel Cost Recovery Factors for each rate group?

**FPL:**

<b>RATE SCHEDULE</b>	<b>PRICE MULTIPLIER</b>	<b>LOSS MULTIPLIER</b>	<b>FUEL RECOVERY FACTOR (¢/kWh)</b>
RS-1	1.009	1.00210	1.764
GS-1	1.018	1.00210	1.779
GSD-1	0.996	1.00204	1.741
GSLD-1	0.982	1.00092	1.714
GSLD-2	0.970	0.99500	1.683
GSLD-3	0.959	0.96091	1.607
CS-1	0.990	1.00024	1.726
CS-2	0.958	0.99656	1.666
CILC-D	0.957	0.99757	1.666
CILC-G	0.972	1.00210	1.699
CILC-T	0.944	0.96091	1.582
MET	0.961	0.98063	1.643
OL-1	0.834	1.00210	1.458
SL-1	0.834	1.00210	1.457
SL-2	0.947	1.00210	1.655

RATE SCHEDULE	PRICE MULTIPLIER	LOSS MULTIPLIER	ON PEAK FUEL RECOVERY (¢/kWh)	OFF PEAK FUEL RECOVERY (¢/kWh)
RST-1	1.009	1.00210	2.000	1.650
GST-1	1.018	1.00210	2.017	1.664
GSDT-1	0.996	1.00204	1.974	1.628
GSLDT-1	0.982	1.00092	1.943	1.603
GSLDT-2	0.970	0.99500	1.908	1.574
GSLDT-3	0.959	0.96091	1.822	1.503
CST-1	0.990	1.00024	1.957	1.615
CST-2	0.958	0.99656	1.889	1.558
CILC-D	0.957	0.99757	1.889	1.558
CILC-G	0.972	1.00210	1.926	1.589
CILC-T	0.944	0.96091	1.794	1.480 (BIRKETT)

7. What are the appropriate fuel recovery line loss multipliers and price multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

**FPL:** The appropriate Fuel Cost Recovery Loss Multipliers and Price Multipliers are provided in response to Issue No. 6. (BIRKETT)

#### COMPANY SPECIFIC FUEL ISSUES

7a. Should FPL's request to change to a weighted kWh allocation method for Fuel Cost Recovery be approved?

**FPL:** Yes. FPL is proposing to change the method of allocating fuel costs among the rate classes. The current method charges all rate classes the same average cost per kWh. In the Company's proposal the kWh's consumed in each hour are such that kWh's consumed in hours with higher loads are allocated a higher proportion of fuel costs and vice versa.

FPL believes that this allocation method is more appropriate because this method addresses the fact that costs of each kWh consumed are not the same during every hour of the day due to the differences in prices between fuels and efficiencies between generating units. (This issue was deferred from the August 1994 Fuel Hearing.) (BIRKETT)

7b. Should FPL be allowed to recover through the Fuel Cost Recovery Clause the cost of implementing certain equipment modifications at some of its generating facilities to enable these facilities to operate using a less expensive grade of residual fuel oil?

**FPL:** Yes. FPL has included in the proposed Fuel Cost Recovery Factor the cost of implementing certain equipment modifications at some of its generating facilities to enable these facilities to operate using a less expensive grade of residual fuel oil. The Company has estimated that these modifications costing approximately \$2.8 million will yield savings of approximately \$8.38 million during the April through September 1995 period and \$81.3 million from 1995 through 1999. Since these or similar modifications have not been made at any other generating unit, FPL believes that these costs have not been recognized in cost levels used to determine FPL's current base rates. Therefore, these expenditures appear to be the type of a cost that were addressed in Order No. 14546 which, with Commission approval, allows for recovery through the Fuel Cost Recovery Clause of certain not previously recognized or anticipated base rate expenses that provide fuel savings to customers. For these reasons, FPL believes that it is appropriate to bring this issue forward for Commission consideration and approval.

(SILVA/BIRKETT)

#### GPIF ISSUES

8. What should the GPIF Rewards/Penalties be for the period of April 1, 1994 through September 30, 1994?

**FPL:** \$3,065,156 reward. (SILVA)

9. What should the GPIF targets/ranges be for the period of April 1, 1995 through September 30, 1995?

**FPL:**

PLANT/UNIT	EAFF TARGET (%)	HEAT RATE TARGET
CAPE CANAVERAL 1	91.2	9230
CAPE CANAVERAL 2	89.8	9252
LAUDERDALE 4	89.5	7335
LAUDERDALE 5	95.7	7362
FORT MYERS 2	91.7	9337
MANATEE 2	96.0	9600
PORT EVERGLADES 3	85.6	9209
PORT EVERGLADES 4	96.0	9313
PUTNAM 1	96.0	8540
PUTNAM 2	84.2	8519
RIVIERA 3	93.6	9610
RIVIERA 4	90.9	9805
SANFORD 5	96.0	9694
TURKEY POINT 1	82.7	9309
TURKEY POINT 2	95.6	9262
TURKEY POINT 3	85.1	11133
TURKEY POINT 4	93.1	11218
ST. LUCIE 1	93.6	10882
ST. LUCIE 2	83.3	10877
SCHERER 4	96.0	<u>9956</u>
<b>GPIF SYSTEM WEIGHTED AVERAGE HR</b>		9674 (SILVA)

#### OIL BACKOUT ISSUES

10. What is the final Oil Backout True-Up amount for the period April 1, 1994 through September 30, 1994?

**FPL:** \$527,531 underrecovery. (BIRKETT)

11. What is the estimated/actual Oil Backout True-Up amount for the period October 1, 1994 through March 31, 1994?

**FPL:** \$11,602 overrecovery. (BIRKETT)



12. What is the total Oil Backout True-Up amount to be collected during the period April 1, 1995 through September 30, 1995?

**FPL:** \$515,929 underrecovery. (BIRKETT)

13. What is the Projected Oil Backout Cost Recovery Factor that should be used by the Company for the period April 1, 1995 through September 30, 1995?

**FPL:** .012 cents/kwh. (BIRKETT)

#### **CAPACITY COST RECOVERY ISSUES**

14. What is the final capacity true-up amount for the period April 1, 1994 through September 30, 1994?

**FPL:** \$2,159,336 overrecovery. (BIRKETT)

15. What is the estimated/actual capacity true-up amount for the period October 1, 1994 through March 31, 1995, which are based upon two months actual and four months revised estimates?

**FPL:** \$12,962,747 overrecovery. (BIRKETT)

16. What is the total capacity true-up amount to be collected during the period April 1, 1995 through September 30, 1995?

**FPL:** \$15,122,583 overrecovery. (BIRKETT)

17. What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April 1995 through September 1995?

**FPL:** \$144,171,942 (BIRKETT)

18. What are the appropriate Capacity Cost Recovery Factors for each rate group?

**FPL:**

<b>RATE CLASS</b>	<b>CAPACITY RECOVERY FACTOR (\$/KW)</b>	<b>CAPACITY RECOVERY FACTOR (\$/KWH)</b>
RS1	-	0.00415
GS1	-	0.00367
GSD1	1.36	-
OS2	-	0.00229
GSLD1/CS1	1.41	-
GSLD2/CS2	1.43	-
GSLD3/CS3	1.41	-
CILCD/CILCG	1.35	-
CILCT	1.29	-
MET	1.47	-
OL1/SL1	-	0.00109
SL2	-	0.00261

<b>RATE CLASS</b>	<b>CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE)</b>	<b>CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)</b>
ISST1D	.18	.09
SST1T	.17	.08
SST1D	.18	.09 (BIRKETT)

**F. STIPULATED ISSUES**

None at this time.

G. MOTIONS

FPL is aware of no outstanding Motions at this time.

Respectfully submitted,

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Attorneys for Florida Power  
& Light Company

BY:   
Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE  
DOCKET NO. 950001-EI**

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

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