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**Steel Hector & Davis**

Tallahassee, Florida

Matthew M. Childs, P.A.  
(904) 222-4448

February 8, 1996

ORIGINAL  
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Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, FL 32399-0850

RE: DOCKET NO. 960007-EI

Dear Ms. Bayó:

Enclosed for filing please find the 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 the Prehearing Statement for Florida Power & Light Company.

Very truly yours,

  
Matthew M. Childs, P.A.

MMC/ml

ACK  cc: All Parties of Record

AEA \_\_\_\_\_

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PSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost )  
Recovery Clause )

DOCKET NO. 960007-EI  
FILED: FEBRUARY 8, 1996

FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT

Pursuant to Order No. PSC-96-0061-PCO-EI, issued January 12, 1996, 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 1996 Through September 1996	1-8
W. M. REICHEL	New Environmental Compliance Activities, Status of Projects	1-8

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(BTP-1)	B.T. BIRKETT	Environmental Cost Recovery True-Up Period April 1995 - September 1995 Commission Forms 42-1A through 42-8A

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(BTB-2)	B.T. BIRKETT W.M. REICHEL	Appendix I/Environmental Cost Recovery Projections April 1996 - September 1996 Commission Forms 42-1P through 42-7P
(BTB-3)	B.T. BIRKETT W.M. REICHEL	Appendix II Environmental Cost Recovery Estimated/Actual Period October 1995 - March 1996 Commission Forms 42-1E through 42-8E

**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, 1995 through September, 1995?

**FPL:** \$583,626 overrecovery for the period including interest.

2. What is the estimated environmental cost recovery true-up amount for the period October, 1995 through March, 1996?

**FPL:** \$2,021,658 underrecovery for the period including interest.

3. What is the total environmental cost recovery true-up amount to be collected during the period April, 1996 through September, 1996?

**FPL:** \$1,438,032 net underrecovery.

4. What is the appropriate projected environmental cost recovery amount to be included in the recovery factors for the period April, 1996 through September, 1996?

**FPL:** The appropriate projected environmental cost recovery amount to be collected during the period

is \$5,695,286. This amount consists of \$4,167,068 of projected environmental compliance cost for the period net of the prior period underrecovery and adjusted for taxes.

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, 1996 (Cycle Day 3) and continue through September 30, 1996 (Cycle Day 2). Billing cycles may start before April 1, 1996, and the last cycle may be read after September 30, 1996, 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, 1996 through September, 1996?

**FPL:** The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service.

7. What are the appropriate Environmental Cost Recovery Factors for the period April, 1996 through September, 1996 for each rate group?

<b>FPL:</b>	<u>Rate Class</u>	<u>Environmental Recovery Factor (\$/KWH)</u>
	RS1	0.00015
	GS1	0.00015
	GSD1	0.00013
	OS2	0.00012
	GSLD1/CS1	0.00013
	GSLD2/CS2	0.00013
	GSLD3/CS3	0.00012
	ISST1D	0.00013
	SST1T	0.00014
	SST1D	0.00011
	CILC D/CILC G	0.00013
	CILC T	0.00012
	MET	0.00014
	OL1/SL1	0.00010
	SL2	0.00012

COMPANY SPECIFIC ISSUES

8. Should the Commission approve FPL's request to recover the cost of the St. Lucie Plant Turtle Net through the Environmental Cost Recovery Clause?


**FPL:** Yes. The sea turtles have been designated as "endangered or threatened species" pursuant to the Endangered Species Act. Section 7 of the Endangered Species Act requires Federal Agencies to consult with either the Department of the Interior or the Department of Commerce to ensure that their activities are not likely to jeopardize the continued existence of any endangered or threatened species. The Nuclear Regulatory Commission as the permit-issuing federal agency overseeing operation of the St. Lucie Plant, consulted with the National Marine Fisheries Service (NMFS) of the Department of Commerce. The NMFS recommended that this new mesh barrier net be erected and maintained on a periodic basis to protect the sea turtles. This recommendation will be reflected as a new condition in either the Nuclear Regulatory Commission's operating license for the plant or the Florida Department of Environmental Protection's sea turtle handling permit. (REICHEL)

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 32301-1804  
Attorneys for Florida Power  
& Light Company

BY:   
Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE  
DOCKET NO. 960007-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 8th day of February, 1996, to the following:


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