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Matthew M Childs P.A.

July 28, 1997

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. 970007-EI

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) 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 of Florida Power & Light Company.

Very truly yours,

*Matthew M. Childs*  
Matthew M. Childs, P.A.

ACK ✓  
MFA *Vansiver*  
A.I. \_\_\_\_\_  
C.M. \_\_\_\_\_ MMC/ml  
C.H. \_\_\_\_\_ Enclosures  
C.C. \_\_\_\_\_ cc: All Parties of Record

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DOCUMENT # 97-0007-EI  
07598 JUL 28 1997  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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IN RE: Environmental Cost )  
Recovery Clause )

DOCKET NO. 970007-EI  
FILED: JULY 28, 1997

FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT

Pursuant to Order No. PSC-97-0794-PCO-EI, issued July 2, 1997, 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 LLP  
215 South Monroe Street  
Suite 601  
Tallahassee, FL 32301

B. **WITNESSES**

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
K.M. DUBIN	ECRC Costs and Factors for October 1997 Through September 1998	1-8
R.R. LABAUVE	New Environmental Compliance Activities, Status of Projects	1-8

C. **EXHIBITS**

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(KMD-1)	K.M. DUBIN	Environmental Cost Recovery True-Up Period April 1996 - September 1996 Commission Forms 42-1A through 42-8A

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(KMD-2)	K.M. DUBIN R.R. LABAUVE	Appendix I/Environmental Cost Recovery Projections October 1997- September 1998 Commission Forms 42-1P through 42-7P
(KMD-3)	K.M. DUBIN R.R. LABAUVE	Appendix II Environmental Cost Recovery Estimated/Actual Period October 1996 - September 1997 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, 1996 through September, 1996?

**FPL:** \$69,606 overrecovery for the period including interest. (DUBIN)

2. What is the estimated environmental cost recovery true-up amount for the period October, 1996 through September, 1997?

**FPL:** \$2,285,342 underrecovery for the period including interest. (DUBIN)

3. What is the total environmental cost recovery true-up amount to be collected during the period October, 1997 through September, 1998?

**FPL:** \$2,215,736 net underrecovery. (DUBIN)

4. What is the appropriate projected environmental cost recovery amount to be included in the recovery factors for the period October, 1997 through September, 1998?

**FPL:** The appropriate projected environmental cost recovery amount to be collected during the period is \$22,964,468. This amount consists of \$20,385,084 of projected environmental compliance cost for the period net of the prior period underrecovery and adjusted for taxes. (DUBIN)

5. What are the appropriate Environmental Cost Recovery Factors for the period October, 1997 through September, 1998 for each rate group?

<b>FPL:</b>	<b><u>Rate Class</u></b>	<b><u>Environmental Recovery Factor (\$/KWH)</u></b>
	RS1	0.00031
	GS1	0.00029
	GSD1	0.00026
	OS2	0.00073
	GSLD1/CS1	0.00025
	GSLD2/CS2	0.00024
	GSLD3/CS3	0.00016
	ISST1D	0.00053
	SST1T	0.00022
	SST1D	0.00025
	CILC D/CILC G	0.00023
	CILC T	0.00015
	MET	0.00028
	OL1/SL1	0.00022
	SL2	0.00021

(DUBIN)

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

**FPL:** The new environmental cost recovery factors should become effective with customer billing on cycle day 3 of October 1997 and continue with customer billings through cycle day 2 of September 1998. This will provide 12 months of billing on the environmental cost recovery factors for all customers. (DUBIN)

7. 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 October, 1997 through September, 1998?

**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. (DUBIN)

**COMPANY SPECIFIC ISSUES**

8. Should the Commission approve FPL's proposal to recover the costs of the Substation Remediation Project through the Environmental Cost Recovery Clause?

**FPL:** Yes. The Substation Remediation Project is the prevention and removal of pollutant discharges at FPL substations. This project is necessary in order to prevent and address pollution discharging. The total projected Operating & Maintenance cost for this project is \$16.7 million. FPL is requesting to recover \$1.6 million for the period July 1997 through September 1997 and include this amount in the calculation of the environmental cost recovery factors for the period October 1997 through September 1998. FPL believes the cost of this project is reasonable in amount, prudently incurred and not otherwise being recovered by FPL.

**F. STIPULATED ISSUES**

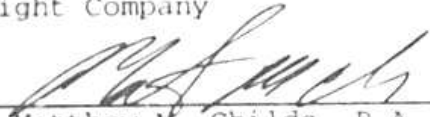
None at this time.

**G. MOTIONS**

FPL is aware of no outstanding motions at this time.

Respectfully submitted,

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215 South Monroe Street  
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Tallahassee, FL 32301-1801  
Attorneys for Florida Power  
& Light Company

BY:   
Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE  
DOCKET NO. 970007-EI**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Prehearing Statement has been furnished by Hand Delivery (\*), or U.S. Mail this 28th day of July, 1997, to the following:

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