

Matthew M. Childs, P.A.

August 31, 2001

- VIA HAND DELIVERY -

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, FL 32399

RECEIVED-PPSC  
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COMMISSION  
CLERK

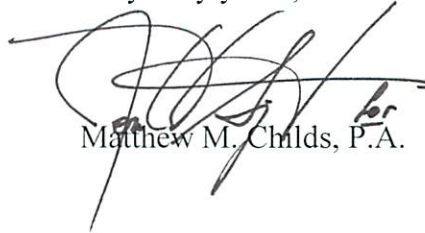
RE: DOCKET NO. 010001-EI

Dear Ms. Bayó:

Enclosed for filing please find an original and fifteen (15) copies of Florida Power & Light Company's Petition for Approval of Its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors, along with Testimony and Exhibits of Gerard Yupp, J.R. Hartzog and Korel M. Dubin, in the above referenced docket.

Also, enclosed is a formatted double sided high density 3.5 inch diskette containing the Petition of Florida Power & Light Company.

Very truly yours,

  
Matthew M. Childs, P.A.

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 5 \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG 1 \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

MMC/gc

Enclosures

cc: All Parties of Record (w/enclosures)

TAL\_1998/39809-1

RECEIVED & FILED  
FPSC-BUREAU OF RECORDS

*Direct Testimony*  
DOCUMENT NUMBER-DATE

10888 AUG 31

FPSC-COMMISSION CLERK

DOCUMENT NUMBER-DATE

10887 AUG 31

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE:** Fuel and Purchase Power )  
Cost Recovery Clause and Generating )  
Performance Incentive Factor )  
\_\_\_\_\_ )

DOCKET NO. 010001-EI

Filed: August 31, 2001

**PETITION OF FLORIDA POWER & LIGHT COMPANY  
FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS  
AND CAPACITY COST RECOVERY FACTORS**

Florida Power & Light Company ("FPL"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, and Commission Directives of April 24 and April 30, 1980, hereby petitions this Commission to approve 2.890 cents per kWh as its levelized fuel recovery charge for non-time differentiated rates and 3.145 cents per kWh and 2.777 cents per kWh as its levelized fuel recovery charges for the on-peak and off-peak periods respectively as its time differentiated rates for the January 2002 through December 2002 billing period, and to approve the capacity cost recovery factors submitted as Attachment I to this Petition for the January 2002 through December 2002 billing period. All charges are to become effective starting with meter readings scheduled to be read on or after Cycle Day 3, and will remain in effect until modified by subsequent order of this Commission. FPL's proposed Generation Performance Incentive Factor (GPIF) targets for the period January 2002 through December 2002 will be filed as scheduled, on September 20, 2001. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period January 2002 through December 2002 are contained in Commission Schedules E1 through E10 and Schedule H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive),

which are attached as Appendix II to the prepared written testimony of FPL witness K.M. Dubin filed in Docket No. 010001-EI, and are incorporated herein by reference.

On August 23, 2001, FPL filed a petition to reduce its fuel adjustment factors beginning in October 2001. As part of that petition, FPL also filed its Fuel and Capacity Cost Recovery Schedules for 2002 and, rather than waiting until the filing scheduled date of September 20, 2001, FPL committed to file the supporting testimony on an expedited basis. Therefore, FPL is submitting this testimony early.

2. Pursuant to Commission Order No. PSC-00-2385-FOF-EI, FPL has included an underrecovery of \$259,002,688 in the fuel factor for the period January 2002 through December 2002. The Commission authorized recovery of the \$518,005,376 estimated/actual 2000 true-up underrecovery over two years beginning in 2001. One-half of the \$518,005,376 or \$259,002,688 was included in the fuel factor for January through December 2001 and is currently being collected. The remaining \$259,002,688 is included in the fuel factor for January through December 2002.

Additionally, FPL is requesting to include an overrecovery of \$13,794,067 in the fuel factor for the period January 2002 through December 2002. On August 20, 2001, FPL filed its Estimated/Actual True-up, an overrecovery of \$151,894,067 for the period January 2001 through December 2001. FPL filed a petition on August 23, 2001 to reduce its fuel factors for the period October 2001 through December 2001 by \$138,100,000, in order to reduce customer bills as soon as possible and hold bills level through 2002. The \$13,794,067 overrecovery which is being included in the fuel factors for the period January 2002 through December 2002 is the remaining portion of the Estimated/Actual true-up overrecovery of \$151,894,067 from the period January 2001 through December 2001.

This \$13,794,067 overrecovery, minus the \$259,002,688 underrecovery from 2000 results in the net true-up underrecovery of \$245,208,621 which FPL has included in its fuel factor for January 2002 through December 2002.

3. The fuel factors developed and proposed by FPL for the period January 2002 through December 2002 also reflect a GPIF reward of \$9,004,713 for the period ending December 2000 which is being applied to the January through December 2002 time period.

4. FPL submits that the capacity cost recovery factors for the period January 2002 through December 2002 are based on reasonable and prudent costs, and are included as Attachment I to this Petition. FPL is requesting that the Commission approve total recoverable capacity payments in the amount of \$573,968,082. This amount reflects a final underrecovery of \$2,850,420 for the January 2000 through December 2000 period plus the estimated/actual overrecovery of \$25,003,277 for the January 2001 through December 2001 period.

5. A residential bill for 1,000 kWh for the period January 2002 through December 2002, will be \$81.66. The 1,000 kWh residential bill includes a base rate charge of \$43.26, a fuel recovery charge of \$28.96, a conservation charge of \$1.81, a capacity cost recovery charge of \$6.80, an environmental cost recovery charge of \$0.00, and Gross Receipt Tax of \$0.83.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and capacity cost recovery charges for the period January 2002 through December 2002, requested herein for its billing period effective starting with scheduled meter readings to be read on or after Cycle Day 3, and to continue these charges until modified by subsequent order of this Commission. FPL also requests the Commission to approve

\$9,004,713 as FPL's GPIF reward for the period ending December 2000 and to include this amount in the calculation of the fuel factor for the period beginning January 2002.

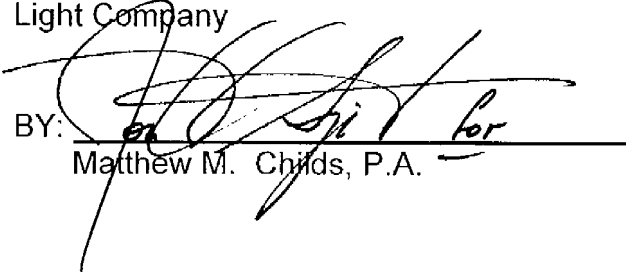
Finally, FPL requests approval of all of the proposals and requests set forth in this Petition.

DATED this 31<sup>st</sup>, of August, 2001.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP  
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. 010001-EI**

I **HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Petition for Approval of Its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors, along with the Testimony and Exhibits of Gerard Yupp, J.R. Hartzog and Korel M. Dubin has been furnished by Hand Delivery (\*), or U.S. Mail this 31<sup>st</sup> day of August, 2001, to the following:

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By:   
MATTHEW M. CHILDS, P.A.

FLORIDA POWER & LIGHT COMPANY  
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR  
 JANUARY 2002 THROUGH DECEMBER 2002

Rate Class	(1) Percentage of Sales at Generation (%)	(2) Percentage of Demand at Generation (%)	(3) Energy Related Cost (\$)	(4) Demand Related Cost (\$)	(5) Total Capacity Costs (\$)	(6) Projected Sales at Meter (kwh)	(7) Billing KW Load Factor (%)	(8) Projected Billed KW at Meter (kw)	(9) Capacity Recovery Factor (\$/kw)	(10) Capacity Recovery Factor (\$/kwh)
RS1	52.70839%	59.62713%	\$23,271,486	\$315,914,498	\$339,185,984	49,852,758,388	-	-	-	0.00680
GS1	6.21162%	6.02613%	\$2,742,519	\$31,927,430	\$34,669,949	5,875,092,080	-	-	-	0.00590
GSD1	22.94327%	20.12904%	\$10,129,775	\$106,647,014	\$116,776,789	21,701,895,013	48.23371%	51,319,996	2.28	-
OS2	0.02249%	0.01033%	\$9,930	\$54,752	\$64,682	21,518,662	-	-	-	0.00301
GSLD1/CS1	10.26986%	8.63336%	\$4,534,286	\$45,740,993	\$50,275,279	9,726,195,726	61.70922%	21,590,867	2.33	-
GSLD2/CS2	1.59529%	1.20718%	\$704,344	\$6,395,844	\$7,100,188	1,518,584,200	67.56448%	3,078,914	2.31	-
GSLD3/CS3	0.51551%	0.41349%	\$227,606	\$2,190,731	\$2,418,337	513,062,638	70.23956%	1,000,612	2.42	-
ISST1D	0.00000%	0.00000%	\$0	\$0	\$0	0	0.00000%	0	**	-
SST1T	0.09134%	0.06523%	\$40,327	\$345,601	\$385,928	90,903,238	10.45089%	1,191,525	**	-
SST1D	0.06837%	0.05745%	\$30,188	\$304,360	\$334,548	66,451,536	62.93622%	144,638	**	-
CILC D/CILC G	3.60003%	2.64742%	\$1,589,462	\$14,026,463	\$15,615,925	3,432,793,959	73.24678%	6,420,019	2.43	-
CILC T	1.22979%	0.89709%	\$542,969	\$4,752,912	\$5,295,881	1,223,946,682	77.61662%	2,160,155	2.45	-
MET	0.09025%	0.09284%	\$39,849	\$491,874	\$531,723	87,750,948	55.94088%	214,882	2.47	-
OL1/SL1/PL1	0.56218%	0.13032%	\$248,210	\$690,431	\$938,641	531,720,880	-	-	-	0.00177
SL2	0.09160%	0.06300%	\$40,443	\$333,787	\$374,230	86,637,051	-	-	-	0.00432
TOTAL			\$44,151,394	\$529,816,688	\$573,968,082	94,729,311,000		87,121,608		

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Note: There are currently no customers taking service on Schedule ISST1(T). Should any customer begin taking service on this schedule during the period, they will be billed using the ISST(D) Factor.

- (1) Obtained from Page 2, Col(8)
- (2) Obtained from Page 2, Col(9)
- (3) (Total Capacity Costs/13) \* Col (1)
- (4) (Total Capacity Costs/13 \* 12) \* Col (2)
- (5) Col (3) + Col (4)
- (6) Projected kwh sales for the period January 2001 through December 2001
- (7) (kWh sales / 8760 hours) / ((avg customer NCP) / (8760 hours))
- (8) Col (6) / ((7) \* 730) For GSD-1, only 83.265% of KW are billed due to 10 KW exemption
- (9) Col (5) / (8)
- (10) Col (5) / (6)

Totals may not add due to rounding.

Reservation		
Demand =	$(\text{Total col 5}) / (\text{Doc 2, Total col 7}) \times (10) (\text{Doc 2, col 4})$	
Charge (RDC)	12 months	
Sum of Daily		
Demand =	$(\text{Total col 5}) / (\text{Doc 2, Total col 7}) / (21 \text{ onpeak days}) (\text{Doc 2, col 4})$	
Charge (SDD)	12 months	
CAPACITY RECOVERY FACTOR		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1 (D)	\$0.31	\$0.15
SST1 (T)	\$0.29	\$0.14
SST1 (D)	\$0.29	\$0.14