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October 6, 2003

-VIA FEDERAL EXPRESS-

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 030001-EI

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Preliminary List of Issues and Positions, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the documents appear is Word 2000.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Very truly yours,

John T. Butler

John T. Butler

Enclosure

cc: Counsel for Parties of Record (w/encl.)

DOCUMENT NUMBER-DATE

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Miami West Palm Beach Tallahassee Naples Key West London Caracas São Paulo Rio de Janeiro Santo Domingo

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance)
Incentive Factor)

DOCKET NO. 030001-EI
FILED: October 7, 2003

**FLORIDA POWER & LIGHT COMPANY'S
LIST OF ISSUES AND POSITIONS**

FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period January, 2002 through December, 2002?

FPL: \$72,467,176 under-recovery. This amount was included in the midcourse correction that became effective in April 2003. (DUBIN)

ISSUE 2: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2003 through December 2003?

FPL: \$344,729,859 under-recovery. (DUBIN)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2004 through December, 2004?

FPL: \$344,729,859 under-recovery. (DUBIN)

ISSUE 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2004 through December, 2004?

FPL: 1.01597. (DUBIN)

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included for the period January, 2004 through December, 2004?

FPL: \$3,380,102,249. (DUBIN)

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January, 2004 through December, 2004?

FPL: 3.742 cents/kWh. (DUBIN)

ISSUE 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 8. (DUBIN)

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1,GS-1,SL2	3.742	1.00206	3.750
A-1*	SL-1,OL-1,PL-1	3.670	1.00206	3.678
B	GSD-1	3.742	1.00199	3.749
C	GSLD-1 & CS-1	3.742	1.00093	3.745
D	GSLD-2,CS-2,OS-2 & MET	3.742	.99366	3.718
E	GSLD-3 & CS-3	3.742	.95529	3.575

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RST-1,GST-1			
	ON-PEAK	4.081	1.00206	4.090
	OFF-PEAK	3.591	1.00206	3.599
B	GSDT-1,CILC-1(G)			
	ON-PEAK	4.081	1.00199	4.090
	OFF-PEAK	3.591	1.00199	3.598
C	GSLDT-1 & CST-1			
	ON-PEAK	4.081	1.00093	4.085
	OFF-PEAK	3.591	1.00093	3.595
D	GSLDT-2 & CST-2			
	ON-PEAK	4.081	.99497	4.061
	OFF-PEAK	3.591	.99497	3.573
E	GSLDT-3,CST-3			
	CILC-1(T)&ISST-1(T)			
	ON-PEAK	4.081	.95529	3.899
	OFF-PEAK	3.591	.95529	3.431

F	CILC-1(D) & ISST-1(D)			
	ON-PEAK	4.081	.99317	4.054
	OFF-PEAK	3.591	.99317	3.567

*WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK (DUBIN)

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPL: The Company is requesting that the new Fuel Cost Recovery and Capacity Cost Recovery Factors should become effective with customer bills for January, 2004 through December, 2004. This will provide 12 months of billing on the Fuel Cost Recovery and Capacity Cost Recovery Factors for all customers. (DUBIN)

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2003 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$21,657,720. (DUBIN)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2004 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$13,554,731 subject to adjustments in the April 2004 filing to include all actual data for the year 2003. (DUBIN)

ISSUE 12: What is the appropriate base level for operation and maintenance expenses for non-speculative financial and/or physical hedging programs to mitigate fuel and purchased power price volatility?

FPL: There is no one general base level that would be appropriate for the expanded hedging program. Each category of cost requested for recovery must be evaluated on a case by case, item by item basis to determine what portion, if any, of that category of cost was included in FPL's 2002 MFRs. (DUBIN)

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 14a: Were Florida Power & Light's actions through July 31, 2003, to mitigate fuel and purchased power price volatility through implementation of its non-speculative financial and/or physical hedging programs prudent?

FPL: Yes. FPL has prudently implemented hedging strategies throughout 2003 consistent with its market view and hedging capabilities. The severe spikes in natural gas prices and cooling-degree days in the first quarter of 2003 could not have been predicted from the fundamentals in the market at the time FPL put its hedges in place for that period. In response to the fundamental market changes that were seen in early 2003, FPL has been increasing its hedging activity for the remainder of 2003 and for 2004, consistent with the presentation that FPL made to the parties in this docket (docket number 030001-EI) on June 30, 2003. (YUPP)

ISSUE 14b: Are Florida Power & Light's actual and projected operation and maintenance expenses for 2002 through 2004 for its non-speculative financial and /or physical hedging programs to mitigate fuel and purchased power price volatility reasonable for cost recovery purposes?

FPL: Yes. Since the inception of its expanded hedging program in 2002, FPL has prudently managed the program to increase the sophistication of its market analysis, forecasting, trade monitoring, and risk management capabilities. This is facilitating the expansion of FPL's hedging activities on a well-informed and well-controlled basis. (YUPP)

ISSUE 14c: Should the Commission approve FPL's request to recover the cost for 137 additional railcars to deliver coal to Plant Scherer?

FPL: Yes. These railcars are necessary to provide transportation for low cost powder river basin coal for Plant Scherer Unit 4. (YUPP)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 18: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2002 through December, 2002 for each investor-owned electric utility subject to the GPIF?

FPL: \$7,449,429 reward. (IRIZARRY)

ISSUE 19: What should the GPIF target/ranges be for the period January, 2004 through December, 2004 for each investor-owned electric utility subject to the GPIF?

FPL: The targets and ranges should be as set forth in the Testimony and Exhibits of F. Irizarry including the following:

PLANT/UNIT	EAF TARGET (%)	HEAT RATE HR. TARGET (BTU/KWH)
CAPE CANAVERAL 2	89.8	9528
LAUDERDALE 4	79.6	7473
LAUDERDALE 5	89.5	7467
MANATEE 1	93.7	10,427
MANATEE 2	75.2	10,384
MARTIN 1	91.5	10,130
MARTIN 2	92.1	10,086
MARTIN 3	94.6	6885
MARTIN 4	92.0	6844
PORT EVERGLADES 3	92.7	9819
PORT EVERGLADES 4	89.7	9859
SCHERER 4	84.0	10,189
ST. LUCIE 1	86.8	10,860
ST. LUCIE 2	85.4	10,900
TURKEY POINT 3	75.8	11,140
TURKEY POINT 4	93.6	11,134

(IRIZARRY)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January, 2002 through December, 2002?

FPL: \$12,676,723 over- recovery. (DUBIN)

ISSUE 25: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2003 through December, 2003?

FPL: \$16,048,425 over-recovery. (DUBIN)

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2004 through December, 2004?

FPL: \$28,725,148 over-recovery. (DUBIN)

ISSUE 27: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2004 through December, 2004?

FPL: \$665,069,770 (DUBIN)

ISSUE 28: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2004 through December, 2004?

FPL: The appropriate jurisdictional separation factors are:
FPSC 98.84301%
FERC 1.15699% (DUBIN)

ISSUE 29: What are the appropriate capacity cost recovery factors for the period January, 2004 through December, 2004?

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR (\$/KW)	CAPACITY RECOVERY FACTOR (\$/KWH)
RS1	-	.00625
GS1	-	.00613
GSD1	2.35	-
OS2	-	.00603
GSLD1/CS1	2.39	-
GSLD2/CS2	2.30	-
GSLD3/CS3	2.25	-
CILCD/CILC	2.37	-
G		
CILCT	2.33	-
MET	2.38	-
OL1/SL1/PL1	-	.00170
SL2	-	.00410

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.29	.14
SST1T	.27	.13
SST1D	.28	.13

(DUBIN)

ISSUE 30: What is the appropriate period to establish a base line for incremental post-September 11, 2001, security expenses?

FPL: For the purpose of comparing incremental power plant security costs to base costs, the appropriate comparison is to FPL's 2002 MFRs. (DUBIN)

ISSUE 31: What is the appropriate base line for operational and maintenance expenses for post-September 11, 2001, security measures?

FPL: There were no incremental power plant security expenses resulting from the events of September 11, 2001, or from Homeland Security responses included in FPL's 2002 MFRs. Therefore, there is no need to compare such expenses to a "base line" to determine the appropriate amount to be recovered through the Capacity Cost Recovery Factor. (DUBIN)

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
G. YUPP	FPL	Fuel Cost Recovery Forecast Assumptions	GY-1
K. M. DUBIN	FPL	Fuel Cost Recovery and Capacity Cost Recovery Estimated/Actual True-Up January, 2003 through December, 2003	KMD-3 KMD-4
G. YUPP K. M. DUBIN J. R. HARTZOG	FPL FPL FPL	Levelized Fuel Cost Recovery Factors for January, 2004 through December, 2004	KMD-5
K. M. DUBIN	FPL	Capacity Cost Recovery Factors for January, 2004 through December, 2004	KMD-6
K. M. DUBIN	FPL	Levelized Fuel Cost Recovery and Capacity Cost Recovery Final True-up for January, 2002 Through December, 2002	KMD-1 KMD-2
F. IRIZARRY	FPL	GPIF, Performance Results January, 2002 – December, 2002	FI-1
F. IRIZARRY	FPL	GPIF, Incentive Factor Targets & Ranges January, 2004 – December, 2004	FI-2

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CERTIFICATE OF SERVICE

Docket No. 030001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Federal Express (*) or United States Mail on the 6th day of October, 2003, to the following:

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