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September 9, 2004

**-VIA HAND DELIVERY-**

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

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04 SEP -9 PM 3:55  
COMMISSION  
CLERK

**Re: Docket No. 040001-EI**

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of the Petition of Florida Power & Light Company for Approval of its Levelized Fuel Cost Recovery Factors, Capacity Cost Recovery Factors for the Period January 2005 Through December 2005, together with a diskette containing the electronic version of same. Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of Florida Power & Light Company witnesses K. M. Dubin, J. R. Hartzog, G. Yupp, T.L. Hartman. Documents TLH-1, TLH-2 and TLH-3 in the exhibit to Mr. Hartman's testimony are copies of power purchase contracts that contain confidential information. Accordingly, I am enclosing for filing the original and seven (7) copies of Florida Power & Light Company's Request for Confidential Classification of Power Purchase Contract Information, together with a diskette containing the electronic version of same. Pursuant to Rule 25-22.006, F.A.C., I am also enclosing with the Request one highlighted and two redacted copies of Documents TLH-1, TLH-2 and TLH-3.

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The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the document appears is Word 2000. If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Sincerely,

*Karl M. Dubin for*  
John T. Butler *JTB*

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

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EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09878 SEP-9

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 Purchase Power Cost ) Docket No. 040001-EI
Recovery Clause and Generating )
Performance Incentive Factor. ) Filed: September 9, 2004

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 4.001 cents per kWh as its
levelized fuel recovery charge for non-time differentiated rates and 4.246 cents per kWh and
3.892 cents per kWh as its revised levelized fuel recovery charges for the on-peak and off-peak
periods, respectively, as its time differentiated rates for the January 2005 through December
2005 billing period. FPL also petitions the Commission to approve the capacity cost recovery
factors submitted as Attachment I to this Petition for the January 2005 through December 2005
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. Finally, FPL requests approval for cost recovery of three purchase power contracts
with subsidiaries of The Southern Company through the fuel and purchased power cost recovery
clause and the capacity cost recovery clause. In support of this Petition, FPL states as follows:

- 1. The calculations of fuel costs for the period January 2005 through December 2005
are contained in Commission Schedules E1-E10 and H1 (designated Minimum Filing
Requirements by the Commission's April 24, 1989, Directive), which are attached as Appendix

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

II to the testimony of FPL witness K.M. Dubin filed in this docket and are incorporated herein by reference.

2. FPL submits the capacity cost recovery factors for the period January 2005 through December 2005, which are included as Attachment I to this Petition.

3. The residential bill for 1,000 kWh for the period January 2005 through December 2005 is \$90.35 and includes a base rate charge of \$40.22, a fuel recovery charge of \$40.09, a capacity cost recovery charge of \$7.39, a conservation charge of \$1.48, an environmental cost recovery charge of \$0.25, and Gross Receipts Tax of \$0.92.

4. FPL is requesting that the Commission approve the following three purchase power contracts with subsidiaries of the Southern Company for cost recovery through the fuel and purchased power cost recovery clause and the capacity cost recovery clause:

(a) a contract for approximately 165 MW (19.57% of unit capacity) of firm capacity and energy from the coal-fired Robert W. Scherer Unit 3 plant, located near Juliette, Georgia and jointly owned by Georgia Power Company and Gulf Power Company (the "Scherer Contract");

(b) a contract for 100% of unit capacity, up to 600 MW of energy and firm capacity from Southern Power Company's Harris Unit 1 combined cycle facility, located near Autaugaville, Alabama (the "Harris Contract"); and

(c) a contract for approximately 190 MW (35.1% of unit capacity) of firm capacity and energy from Southern Power Company's Franklin Unit 1 combined cycle facility, located near Smiths, Alabama (the "Franklin Contract").

5. The Scherer, Harris and Franklin Contracts replace the energy and 930 MW of total capacity currently being obtained through FPL's Unit Power Sales Agreement with subsidiaries

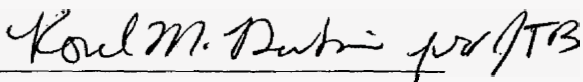
of the Southern Company, which expires on May 31, 2010. In essence, the Scherer, Harris and Franklin Contracts are intended to provide a mechanism for FPL and its customers to continue to receive benefits from importing Southern Company power through the end of 2015, benefits that otherwise will end in mid-2010. One of those benefits is positioning FPL to continue its current firm transmission rights within the Southern Company service territory. This will not only allow importation of power purchased from the Southern Company under the contracts but also open up FPL's opportunities to purchase market energy from outside Florida. The details and benefits of the Scherer, Harris and Franklin Contracts are presented in the testimony of FPL witness Thomas Hartman in this docket and incorporated herein by reference.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and capacity cost recovery charges for the period January 2005 through December 2005 requested herein for the 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 approval of cost recovery for the Scherer, Harris and Franklin Contracts through the fuel and capacity cost recovery clauses.

Respectfully submitted,

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By:   
John T. Butler  
Fla. Bar No. 283479

**CERTIFICATE OF SERVICE**

**Docket No. 040001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by hand delivery (\*) or United States Mail this 9<sup>th</sup> day of September, 2004, to the following:

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By: Kevin M. Butler for JTB  
John T. Butler

FLORIDA POWER & LIGHT COMPANY  
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR  
 JANUARY 2005 THROUGH DECEMBER 2005

Attachment I

Rate Schedule	(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/RST1	53.79073%	59.77947%	\$28,509,692	\$380,205,434	\$408,715,126	55,334,940,634	-	-	-	0.00739
GS1/GST1	5.90599%	5.91508%	\$3,130,243	\$37,620,733	\$40,750,976	6,075,542,153	-	-	-	0.00671
GSD1/GSDT1	22.43969%	20.23830%	\$11,893,287	\$128,718,313	\$140,611,600	23,085,553,190	49.73909%	52,939,773	2.66	-
OS2	0.02002%	0.01495%	\$10,612	\$95,071	\$105,683	21,113,200	-	-	-	0.00501
GSLD1/GSLDT1/CS1/CST1	10.35790%	8.64687%	\$5,489,802	\$54,995,246	\$60,485,048	10,666,361,079	64.68915%	22,587,178	2.68	-
GSLD2/GSLDT2/CS2/CST2	1.69008%	1.35665%	\$895,760	\$8,628,497	\$9,524,257	1,750,619,663	66.01990%	3,632,403	2.62	-
GSLD3/GSLDT3/CS3/CST3	0.17376%	0.13885%	\$92,093	\$883,129	\$975,222	187,194,635	70.45754%	363,951	2.68	-
ISST1D	0.00000%	0.00000%	\$0	\$0	\$0	0	0.00000%	0	**	-
ISST1T	0.00000%	0.00000%	\$0	\$0	\$0	0	0.00000%	0	**	-
SST1T	0.13926%	0.11056%	\$73,810	\$703,167	\$776,977	150,031,028	19.42328%	1,058,122	**	-
SST1D1/SST1D2/SST1D3	0.02283%	0.01632%	\$12,098	\$103,793	\$115,891	23,594,871	63.51414%	50,889	**	-
CILC D/CILC G	3.34641%	2.54154%	\$1,773,636	\$16,164,541	\$17,938,177	3,469,946,584	74.11221%	6,413,722	2.80	-
CILC T	1.41334%	1.03565%	\$749,088	\$6,586,894	\$7,335,982	1,522,653,717	78.45936%	2,658,481	2.76	-
MET	0.09165%	0.09097%	\$48,575	\$578,560	\$627,135	96,643,843	58.55491%	226,093	2.77	-
OL1/SL1/PL1	0.54012%	0.06695%	\$286,269	\$425,841	\$712,110	555,624,734	-	-	-	0.00128
SL2	0.06822%	0.04783%	\$36,155	\$304,222	\$340,377	70,174,667	-	-	-	0.00485
<b>TOTAL</b>			\$53,001,120	\$636,013,442	\$689,014,560	103,009,994,000		89,930,612		

**CAPACITY RECOVERY FACTORS FOR STANDBY RATES**

Note: There are currently no customers taking service on Schedules ISST1(D) and ISST1(T). Should any customer begin taking service on these schedules during the period, they will be billed using the applicable SST1 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 2005 through December 2005
- (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.

Demand =	<u>(Total col 5)/(Doc 2, Total col 7)/(10) (Doc 2, col 4)</u>	
Charge (RDD)	12 months	
Sum of Daily Demand =	<u>(Total col 5)/(Doc 2, Total col 7)/(21 onpeak days) (Doc 2, col 4)</u>	
Charge (DDC)	12 months	
<b>CAPACITY RECOVERY FACTOR</b>		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1D	\$0.34	\$0.16
ISST1T	\$0.32	\$0.15
SST1T	\$0.32	\$0.15
SST1D1/SST1D2/SST1D3	\$0.34	\$0.16