

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 940001-EI
Cost Recovery Clause and) ORDER NO. PSC-94-0111-FOF-EI
Generating Performance Incentive) ISSUED: January 28, 1994
Factor.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
LUIS J. LAUREDO

ORDER APPROVING DECREASE IN
FLORIDA POWER & LIGHT COMPANY'S FUEL ADJUSTMENT FACTOR

BY THE COMMISSION:

On January 4, 1994, Florida Power & Light (FPL) filed a petition for adjustment to its currently authorized levelized fuel adjustment factor for the period October 1993 through March 1994. FPL requested a decrease in its levelized fuel recovery factor from 1.811 cents per kWh to 1.582 cents per kWh. The calculation of FPL's October through March fuel adjustment factor approved at the August hearings included a projected overrecovery of \$8,421,453 in the April through September 1993 period. Actual data now available for April through November 1993 and revised projections for December 1993 through March 1994 indicate a total overrecovery of \$133,564,478 by the end of the current recovery period, or \$125,143,025 greater than the estimate included in the current fuel adjustment factor.

FPL's anticipated period-ending overrecovery is in excess of the threshold for mid-course corrections. (Order No. 13694, Docket No. 840001-EI, issued September 20, 1984) FPL has proposed to correct this overrecovery by implementing a reduced fuel factor based on current projections. We find that the reduced fuel factor shall continue through March 1994 and a new factor shall be set for the April through September 1994 period during the March 1994 fuel adjustment hearing.

The projected overrecovery is due to an approximate \$100 million variance in fuel costs offset somewhat by an approximate \$23 million decrease in projected fuel revenues. These variances were primarily caused by lower than projected natural gas prices,

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

lower than projected interchange costs, and increased system generation being more economical than purchased power transactions or economy purchases.

We note that there has been no prudence review of FPL's fuel estimates and expenditures, and we do not necessarily agree or disagree with FPL's figures at this time. However, one of the purposes of mid-course corrections as described in Order No. 13694 is to assure a levelized fuel adjustment and to avoid rate shock ratepayers experience when factors are adjusted. It is, therefore, in the best interest of the ratepayers to approve the mid-course correction without the prudence review which will take place during the March 1994 hearings.

The factors derived for FPL's various rate classes have been reviewed, and we have found them to be calculated using the same methods that have been accepted in the past. Attachment A reflects the levelized, on-peak and off-peak factors for each class and compares bills for 1,000 kWh of residential consumption before and after this fuel factor adjustment.

FPL has requested an effective date beginning with meter readings scheduled to be read on or after February 1, 1994. We find that such treatment is warranted given the magnitude of the projected overrecovery. Thus, FPL's customers may begin receiving this fuel charge reduction at the earliest practicable time. Based on the foregoing, we approve FPL's reduced fuel adjustment factor of 1.582 cents per kWh effective for meter readings scheduled to be read on or after February 1, 1994 and continuing through March 1994.

It is therefore

ORDERED by the Florida Public Service Commission that the petition by Florida Power & Light Company to reduce its fuel adjustment factor from 1.811 to 1.582 cents per kWh is approved and effective for meter readings scheduled to be read on or after February 1, 1994 and continuing through March, 1994. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

ORDER NO. PSC-94-0111-FOF-EI
DOCKET NO. 940001-EI
PAGE 3

By ORDER of the Florida Public Service Commission, this 28th
day of January, 1994.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
DLC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 18, 1994.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice

ORDER NO. PSC-94-0111-FOF-EI
DOCKET NO. 940001-EI
PAGE 4

of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

TOTAL FUEL COST FOR THE PERIOD: February 1994 - March 1994

DATE: 01/18/94

Note: This Schedule reflects a mid-course correction for FPL effective February 1994.

PAGE 1 of 10

COMPANY	APPROVED February 1994 - March 1994			PRESENT October 1994 - January 1994			DIFFERENCE			RESIDENTIAL LINE LOSS MULTIPLIER	PROPOSED RESIDENTIAL FUEL FACTOR
	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak		
Fla. Power & Light (5)	1.582	1.707	1.532	1.811	1.940	1.760	-0.229	-0.233	-0.228	1.00161	1.584
Fla. Power Corp.	1.880	2.176	1.757	1.880	2.176	1.757	0.000	0.000	0.000	1.06380	1.887
Tampa Electric	2.508	2.946	2.346	2.508	2.946	2.346	0.000	0.000	0.000	1.00640	2.524
Gulf Power	1.965	2.012	1.949	1.965	2.012	1.949	0.000	0.000	0.000	1.01228	1.989
<u>Fla. Public</u>											
Marianna (1)	4.887	NA	NA	4.887	NA	NA	0.000	NA	NA	1.01260	4.948
Fernandina (1)(2)	5.733	NA	NA	5.733	NA	NA	0.000	NA	NA	1.00000	5.733

COST FOR 1,000 KW/H RESIDENTIAL SERVICE

PRESENT: October 1994 - January 1994

	Fla. Power & Light	Fla. Power Corp. (5)	Tampa Electric (6)	Gulf Power (7)	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	49.05	49.80	43.25	17.22	19.20
Fuel (3)	18.14	18.87	24.51	19.89	49.40	57.33
Oil Backout	0.16	NA	1.00	NA	NA	NA
Energy Conservation	2.30	5.90	1.45	0.33	0.13	0.05
Capacity Recovery	5.95	4.75	2.13	0.87	NA	NA
Gross Receipts Tax (4)	0.76	2.01	2.02	0.66	0.69	0.71
Total	\$74.62	\$80.58	\$80.21	\$65.00	\$67.72	\$77.51

PROPOSED: February 1994 - March 1994

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	49.05	49.80	43.25	17.22	19.20
Fuel (3)	15.84	18.87	24.51	19.89	49.40	57.33
Oil Backout	0.16	NA	1.00	NA	NA	NA
Energy Conservation	2.30	5.90	1.45	0.33	0.13	0.05
Environmental Cost Recovery	NA	NA	NA	NA	NA	NA
Capacity Recovery	5.95	4.75	2.13	0.87	NA	NA
Gross Receipts Tax (4)	0.73	2.01	2.02	0.66	0.69	0.79
Total	\$72.36	\$80.58	\$80.21	\$65.00	\$67.72	\$77.37

DIFFERENCE	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	0.00	0.00	0.00	0.00	0.00	0.00
Fuel (3)	-2.30	0.00	0.00	0.00	0.00	0.00
Oil Backout	0.00	NA	0.00	NA	NA	NA
Energy Conservation	0.00	0.00	0.00	0.00	0.00	0.00
Capacity Recovery	0.00	0.00	0.00	0.00	NA	NA
Gross Receipts Tax (4)	-0.03	0.00	0.00	0.00	0.00	0.00
Total	-2.33	0.00	0.00	0.00	0.00	0.00

(1) Fuel costs include purchased power demand costs of 2.024 for Marianna and 1.331 cents/KWH for Fernandina allocated to the residential class. (2) All classes except OSLD. (3) Adjusted for line loss.
 (4) Additional gross receipts tax is 1% for Gulf, FPL, and FPUC. FPC and TECO have removed all g.r.t. from rates. The entire 2.5% g.r.t. is thus shown separately for these companies effective Feb. 3, 1993 for TECO and April, 1993 for FPC. (5) FPC present base rates reflect increase effective April 1, 1993 resulting from rate case, Docket No. 910890 - EI. Proposed base rates reflect increase effective November 1, 1993. (6) TECO fuel rates include refund factor of 0.73 cents/kWh attributable to stipulation of Ostfild Coal issue in the February 1993 fuel adjustment hearing.

FUEL ADJUSTMENT CBNTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

DIVISION OF ELECTRIC AND GAS

DATE: 01/18/94

PAGE 2 of 10

FOR THE PERIOD: February 1994 - March 1994

COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER				WITH LINE LOSS MULTIPLIER			
			Levelized	* On/Peak	Off/Peak	LINE LOSS MULTIPLIER	Levelized	On/Peak	Off/Peak	
FP&L	A	RS-1,RST-1,GST-1,GS-1,SL-2	1.582	1.707	1.532	1.00161	1.584	1.710	1.534	
	A-1	SL-1,OL-1	1.560	NA	NA	1.00161	1.563	NA	NA	
	B	GSD-1,GSDT-1	1.582	1.707	1.532	1.00155	1.584	1.710	1.534	
	C	GSLD-1,GSLDT-1,CS-1,CST-1	1.582	1.707	1.532	1.00046	1.583	1.708	1.532	
	D	OSLD-2,OSLDT-2,CS-2,CST-2,CS-2MBT	1.582	1.707	1.532	0.99449	1.573	1.698	1.523	
	E	OSLD-3,CS-3,OSLDT-3,CST-3,CHLC-KTJ,SST-1(F)	1.582	1.707	1.532	0.96430	1.525	1.646	1.477	
F	CHLC-1(D),SST-1(D)	NA	1.707	1.532	0.99643	NA	1.701	1.526		
FPC *	A	Distribution Secondary Delivery	1.880	2.176	1.757	1.00380	1.887	2.184	1.764	
	A-1	OL-1,SL-1	1.835	NA	NA	1.00380	1.842	NA	NA	
	B	Distribution Primary Delivery	1.880	2.176	1.757	0.98260	1.847	2.138	1.726	
	C	Transmission Delivery	1.880	2.176	1.757	0.97250	1.828	2.116	1.709	
TECO	A	RS,GS,TS	2.508	2.946	2.346	1.00640	2.524	2.965	2.361	
	A-1	SL-1,2,3,OL-1,2	2.327	NA	NA	1.00640	2.342	NA	NA	
	B	GSD,GSLD	2.508	2.946	2.346	1.00120	2.511	2.950	2.349	
	C	IS-1,IS-3	2.508	2.946	2.346	0.97210	2.438	2.864	2.281	
GULF	A	RS,GS,GSD,OS-HI,OS-IV	1.965	2.012	1.949	1.01228	1.989	2.037	1.973	
	B	LP	1.965	2.012	1.949	0.98106	1.928	1.974	1.912	
	C	PX	1.965	2.012	1.949	0.96230	1.891	1.936	1.876	
	D	OS-1,OS-2	1.962	NA	NA	1.01228	1.986	NA	NA	
FPUC	Fernandina	A	RS	5.733	NA	NA	1.00000	5.733	NA	NA
		B	GS	5.489	NA	NA	1.00000	5.489	NA	NA
		C	GSD	5.315	NA	NA	1.00000	5.315	NA	NA
		D	OL,OL-2,SL-2,SL-3,CSL	4.779	NA	NA	1.00000	4.779	NA	NA
		E	GSLD					4.799 (1)		
						\$4.69/CP KW				
Marianna	A	RS	4.886	NA	NA	1.01260	4.948	NA	NA	
	B	GS	4.610	NA	NA	0.99630	4.612	NA	NA	
	C	GSD	4.205	NA	NA	0.99630	4.189	NA	NA	
	D	OL,OL-2	2.862	NA	NA	1.01260	2.898	NA	NA	
	E	SL-1,SL-2	2.862	NA	NA	0.98810	2.828	NA	NA	

* Effective date for FPC will coincide with rate change resulting from rate case. Docket No. 910890 - EI. Effective date is expected to be early November, 1993.

(1) Informational Purposes Only - GSLD class is billed actual fuel cost

ATTACHMENT A
 ORDER NO. PSC-94-0111-FOF-EI
 DOCKET NO. 940001-EI
 PAGE 6

FUEL & PURCHASED POWER COST RECOVERY
 CLAUSE CALCULATION

DIVISION OF ELECTRIC AND GAS
 DATE: 01/18/94
 PAGE 4 OF 10

ESTIMATED FOR THE PERIOD: February 1994 - March 1994

FLORIDA POWER & LIGHT COMPANY

CLASSIFICATION	Classification Associated \$	Classification Associated KWH	Classification Associated Cents/KWH
1. Fuel Cost of System Net Generation (E3)	126,839,525	7,668,810,000	1.65397
2. Spent NUC Fuel Disposal Cost (E2)	2,773,282	3,030,017,000 (a)	0.09153
3. Fuel Related Transactions	592,668	0	0.00000
4. Natural Gas Pipeline Enhancements	0	0	0.00000
4a. Fuel Cost of Sales to FKEC	(2,628,000)	(114,432,000)	2.29656
5. TOTAL COST OF GENERATED POWER	127,577,475	7,554,378,000	1.68879
6. Fuel Cost of Purchased Power - Firm (E8)	43,437,700	2,408,200,000	1.80374
7. Energy Cost of Sch. C.X Economy Purchases (Broker) (E9)	5,406,800	286,700,000	1.88587
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	4,648,700	252,100,000	1.84399
9. Energy Cost of Sch. E Purchases (E9)	0	0	0.00000
10. Capacity Cost of Sch. E Economy Purchases (E2)	0	0	0.00000
11. Payments to Qualifying Facilities (E8A)	12,527,000	674,800,000	1.85640
12. TOTAL COST OF PURCHASED POWER	66,020,200	3,621,800,000	1.82286
13. TOTAL AVAILABLE KWH		11,176,178,000	
14. Fuel Cost of Economy Sales (E7)	(1,395,700)	(53,800,000)	2.59424
15. Gain on Economy Sales - 80% (E7A)	(426,240)	(53,800,000)(a)	0.79227
16. Fuel Cost of Unit Power Sales (SL2 Partpts) (E7)	(680,100)	(84,200,000)	0.80772
17. Fuel Cost of Other Power Sales (E7)	(330,500)	(12,700,000)	2.60236
18. TOTAL FUEL COST AND GAINS OF POWER SALES	(2,832,540)	(150,700,000)	1.87959
19. Net Inadvertent Interchange (E4)	0	0	0.00000
20. TOTAL FUEL AND NET POWER TRANSACTIONS	190,765,135	11,025,478,000	1.73022
21. Net Unbilled (E4)	10,857,985 (a)	627,549,000	0.10037
22. Company Use (E4)	578,223 (a)	(33,419,000)	0.00535
23. T & D Losses (E4)	13,877,653 (a)	(802,074,000)	0.12829
24. Adjusted System KWH Sales	190,765,135	10,817,534,000	1.76348
25. Wholesale KWH Sales	341,584	19,370,000	1.76347
26. JURISDICTIONAL KWH SALES	190,423,551	10,798,164,000	1.76348
27. Jurisdictional KWH Sales Adjusted for Line Loss - 1.00035	190,490,199	10,798,164,000	1.76410
28. True-up * (derived in Attachment C)	(22,607,151)	10,798,164,000	-0.20936
29. TOTAL JURISDICTIONAL FUEL COST	167,883,048	10,798,164,000	1.55470
30. Revenue Tax Factor			1.01609
31. Fuel Cost Adjusted for Taxes			1.57972
32. GPIF*	228,805	10,798,164,000	0.00212
33. Total fuel cost including GPIF	168,111,853	10,798,164,000	1.58183
34. TOTAL FUEL COST FACTOR ROUNDED TO THE NEAREST .001 CENTS PER KWH:			1.582

*Based on Jurisdictional Sales
 (a) included for informational purposes only.