

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 960001-EI
Cost Recovery Clause and) ORDER NO. PSC-96-0907-FOF-EI
Generating Performance Incentive) ISSUED: July 15, 1996
Factor.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON

ORDER APPROVING MID-COURSE CORRECTION
FOR FLORIDA POWER & LIGHT COMPANY

BY THE COMMISSION:

On May 31, 1996, Florida Power and Light Company (FPL) filed a petition for approval of a mid-course correction to its currently authorized levelized fuel adjustment factor for the period April, 1996 through September, 1996. FPL requests that its current fuel adjustment factor be increased from 2.071 cents per kWh to 2.201 cents per kWh.

The calculation of FPL's April through September fuel adjustment factor approved at the February hearings included a projected underrecovery of \$64,536,189. Actual data now available for the October 1995 through March 1996 period and revised projections for the April through September 1996 period indicate a total underrecovery of \$199,936,411 by the end of the recovery period, or a \$135,400,222 difference in the estimate included in the current fuel adjustment factor.

The projected underrecovery for the current period primarily is due to increases in natural gas and heavy oil costs. The increase in fuel costs is the result of higher than projected heavy oil and natural gas prices reflecting a colder than normal winter in North America and extremely low crude oil and natural gas storage levels.

FPL contends that its proposal will levelize the charges for July through September 1996 with those currently forecasted for the next projection period, October 1996 through March 1997. To levelize the charges, FPL requests that a portion of the underrecovery be included in the fuel adjustment factor set for the July through September 1996 period and the remaining underrecovery be deferred for recovery during the period October 1996 through March 1997.

DOCUMENT NUMBER-DATE

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FPLS-REGULATORY REPORTING

ORDER NO. PSC-96-0907-FOF-EI
DOCKET NO. 960001-EI
PAGE 2

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 Commission Order No. 13694 is to assure a levelized fuel adjustment and 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 subsequent fuel adjustment hearings.

We have reviewed the factors derived for FPL's various rate classes and find them to be calculated using the same methods that have been accepted in the past. Attachment A of this Order 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 requests an effective date beginning with customer billings on cycle day 3 of July, 1996. Although this effective date falls short of the normal 30-day notice requirement, we believe such treatment is warranted given the magnitude of the projected underrecovery. FPL's customers should begin paying the fuel charge increase at the earliest practicable time. Thus, we approve a fuel adjustment factor of 2.201 cents per kWh effective beginning with customer billings on cycle day 3 of July, 1996.

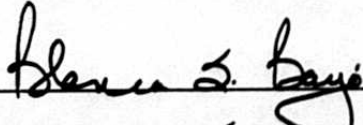
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's fuel adjustment factor is increased to 2.201 cents per kWh, effective beginning with customer billings on cycle day 3 of July, 1996. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest.

ORDER NO. PSC-96-0907-FOF-EI
DOCKET NO. 960001-EI
PAGE 3

By ORDER of the Florida Public Service Commission, this 15th
day of July, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

VDJ

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 5, 1996.

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.

ORDER NO. PSC-96-0907-FOF-EI
DOCKET NO. 960001-EI
PAGE 4

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 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.

RESIDENTIAL FUEL FACTORS FOR THE PERIOD: July - September 1996

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Page 1 of 10

NOTE: This schedule reflects a mid-course correction for Florida Power Corporation and Florida Power and Light effective July 1996.

		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
Present (cents per kwh):	April - June 1996	2.075	1.891	2.407	2.193	5.122	4.737
Approved (cents per kwh):	July - September 1996	2.205	2.152	2.407	2.193	5.122	4.737
	Increase/Decrease:	0.130	0.261	0.000	0.000	0.000	0.000

TOTAL COST FOR 1,000 KILOWATT HOURS - RESIDENTIAL SERVICE

PRESENT:	April - June 1996	Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
Base Rate		47.46	49.05	51.92	43.25	20.43	19.20
Fuel		20.75	18.91	24.07	21.93	51.22	47.37
Energy Conservation		2.09	2.95	1.62	0.41	0.19	0.09
Environmental Cost Recovery		0.15	N/A	N/A	1.36	N/A	N/A
Capacity Recovery		4.42	9.36	1.93	1.68	N/A	N/A
Gross Receipts Tax (1)		0.77	2.06	2.04	0.70	1.84	0.68
Total		\$75.64	\$82.33	\$81.58	\$69.33	\$73.68	\$67.34

APPROVED:	July - September 1996	Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
Base Rate		47.46	49.05	51.92	43.25	20.43	19.20
Fuel		22.05	21.52	24.07	21.93	51.22	47.37
Energy Conservation		2.09	1.38 (3)	1.62	0.41	0.19	0.09
Environmental Cost Recovery		0.15	N/A	N/A	1.36	N/A	N/A
Capacity Recovery		4.42	9.36	1.93	1.68	N/A	N/A
Gross Receipts Tax (1)		0.78	2.08	2.04	0.70	1.84	0.68
Total		\$76.95	\$83.39	\$81.58	\$69.33	\$73.68	\$67.34

APPROVED INCREASE / (DECREASE)		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
Base Rate		0.00	0.00	0.00	0.00	0.00	0.00
Fuel		1.30	2.61	0.00	0.00	0.00	0.00
Energy Conservation		0.00	-1.57	0.00	0.00	0.00	0.00
Environmental Cost Recovery		0.00	N/A	N/A	0.00	N/A	N/A
Capacity Recovery		0.00	0.00	0.00	0.00	N/A	N/A
Gross Receipts Tax (1)		0.01	0.02	0.00	0.00	0.00	0.00
Total		\$1.31	\$1.06	\$0.00	\$0.00	\$0.00	\$0.00

(1) Additional gross receipts tax is 1% for Gulf, FPL and FPUC-Fernandina Beach. FPC, TECO and FPUC-Marianna have removed all GRT from their rates, and thus entire 2.5% is shown separately. (2) Fuel costs include purchased power demand costs of 2.187 for Marianna and 1.442 cents/KWH for Fernandina allocated to the residential class. (3) Energy Conservation for FPC reflects residential decoupling refund (for period January-May 1996) of \$1.57 for July 1996 through March 1997.

ATTACHMENT A

ORDER NO. PSC-96-0907-FOF-EI
DOCKET NO. 960001-EI
PAGE 5

FUEL ADJUSTMENT FACTORS IN CENTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

PAGE 2 of 10

FOR THE PERIOD: July - September 1996

COMPANY	GROUP	RATE SCHEDULES	BEFORE LINE LOSSES			LINE LOSS MULTIPLIER	FINAL FACTORS ADJUSTED FOR LINE LOSSES			
			Standard	TIME OF USE			Standard	TIME OF USE		
				On/Peak	Off/Peak			On/Peak	Off/Peak	
FP&L	A	RS-1,RST-1,GST-1,GS-1,SL-2	2.201	2.452	2.071	1.00197	2.205	2.457	2.075	
	A-1	SL-1,OL-1	2.132	NA	NA	1.00197	2.136	NA	NA	
	B	GSD-1,GSDT-1,CILC-1(G)	2.201	2.452	2.071	1.00196	2.205	2.457	2.075	
	C	GSLD-1,GSLDT-1,CS-1,CST-1	2.201	2.452	2.071	1.00171	2.205	2.456	2.074	
	D	GSLD-2,GSLDT-2,CS-2,CST-2,OS-2,MET	2.201	2.452	2.071	0.99678	2.194	2.444	2.064	
	E	GSLD-3,GSLDT-3,CS-3,CST-3,CILC-1(T),ISST-1(D)	2.201	2.452	2.071	0.96190	2.117	2.359	1.992	
	F	CILC-1(D),ISST-1(D)	NA	2.452	2.071	0.99827	NA	2.448	2.067	
FPC	A	Transmission Delivery	2.152	2.817	1.793	0.98000	2.109	2.761	1.757	
	B	Distribution Primary Delivery	2.152	2.817	1.793	0.99000	2.130	2.788	1.774	
	C	Distribution Secondary Delivery	2.152	2.817	1.793	1.00000	2.152	2.817	1.793	
	D	OL-1,SL-1	1.984	NA	NA	1.00000	1.984	NA	NA	
TECO	A	RS,GS,TS	2.392	2.893	2.154	1.00640	2.407	2.912	2.168	
	A-1	SL-2,OL-1,3	2.392	NA	NA	NA	2.280	NA	NA	
	B	GSD,GSLD,SBF	2.392	2.893	2.154	1.00120	2.395	2.896	2.157	
	C	IS-1,IS-3,SBI-1 & 3	2.392	2.893	2.154	0.97210	2.325	2.812	2.094	
GULF	A	RS,GS,GSD,OS-III,OS-IV,SBS(100 to 500 kW)	2.166	2.612	1.956	1.01228	2.193	2.644	1.980	
	B	LP,SBS(Contract Demand of 500 to 7499 kW)	2.166	2.612	1.956	0.98106	2.125	2.563	1.919	
	C	PX,SBS(Contract Demand above 7499 kW)	2.166	2.612	1.956	0.96230	2.084	2.514	1.882	
	D	OS-1,OS-2	2.014	NA	NA	1.01228	2.039	NA	NA	
FPUC	Fernandina	A	RS	4.737	NA	NA	1.00000	4.737	NA	NA
		B	GS	4.841	NA	NA	1.00000	4.841	NA	NA
		C	GSD	4.090	NA	NA	1.00000	4.090	NA	NA
		D	OL,OL-2,SL-2,SL-3,CSL	3.833	NA	NA	1.00000	3.833	NA	NA
		E	GSLD	NA				NA		
Marianna	A	RS	5.058	NA	NA	1.01260	5.122	NA	NA	
	B	GS	4.792	NA	NA	0.99630	4.774	NA	NA	
	C	GSD	4.296	NA	NA	0.99630	4.280	NA	NA	
	D	GLSD	4.259	NA	NA	0.99630	4.243	NA	NA	
	E	OL,OL-2	2.987	NA	NA	1.01260	3.025	NA	NA	
	F	SL-1,SL-2	2.978	NA	NA	0.98810	2.943	NA	NA	

NOTE: This schedule reflects a mid-course correction for Florida Power Corporation and Florida Power and Light effective July 1996.

ORDER NO. PSC-96-0907-FOF-EI
DOCKET NO. 960001-EI
PAGE 6