

Steel Hector & Davis

Tallahassee, Florida

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ORIGINAL
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June 27, 1994

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399

RE: DOCKET NO. 940001-EI

Dear Ms. Bayo:

Enclosed for filing please find the original and fifteen (15) copies of Florida Power & Light Company's Petition For The Approval Of Its Levelized Fuel Recovery Charge, Oil Backout Cost Recovery Factor, Capacity Cost Recovery Factors, and GPIF Targets in the above referenced docket.

Also enclosed please find the original and fifteen (15) copies of the Testimony of R. Silva, B. T. Birkett and D. C. Poteralski.

- ACK 1
- ATA 5
- APP _____
- CAF _____
- CNU _____
- CTR _____
- LEG Dudley
- LIN Brown
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- PCN _____
- SEC 1
- WFS _____
- WTS _____

cc: All Parties of Record

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FPSC-BUREAU OF RECORDS

Very truly yours,

Matthew M. Childs, P.A.

R. Silva

Letson

Sanul
Silva
Poteralski
Birkett

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FPSC-RECORDS/REPORTING

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Investigation of Fuel Cost)
Recovery Clauses Of Electric)
Companies)

DOCKET NO. 940001-EI
FILED: JUNE 27, 1994

PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF ITS LEVELIZED FUEL RECOVERY CHARGE,
OIL BACKOUT COST RECOVERY FACTOR, CAPACITY COST
RECOVERY FACTORS, AND GPIF TARGETS

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, together with Commission Rule 25-17.16, hereby petitions this Commission to approve 1.567 cents per kWh as its levelized fuel recovery charge for non-time differentiated rates and 1.710 cents per kWh and 1.531 cents per kWh as its levelized fuel recovery charges for the on-peak and off-peak periods respectively as its time differentiated rates, to approve a charge of .011 cents per kWh as its oil backout cost recovery factor and to approve the capacity cost recovery factors as submitted as Attachment I to this Petition, all charges being for the October 1994 through March 1995, billing period effective starting with meter readings scheduled to be read on or after Cycle Day 3 through Cycle Day 2, and to continue these charges in effect until modified by subsequent order of this Commission. FPL also requests this Commission to approve the proposed Generation Performance Incentive Factor (GPIF) targets of 79.7% for weighted system equivalent

availability and 9692 BTU/kWh for weighted system average net operating heat rate for the period October 1, 1994 through March 31, 1995, all charges being for the October 1994 through March 1995, billing period, effective starting with meter readings scheduled to be read on or after Cycle Day 3 through Cycle Day 2, and to continue these charges in effect until modified by subsequent order of this Commission. The billing cycle may start before October 1, 1994, and the last cycle may be read after March 31, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period October 1994 through March 1995, are contained in Commission Schedules E1 through E11 and Schedule H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive), which schedules are attached as Appendix II to the prepared written testimony of FPL witness B. T. Birkett filed in Docket No. 940001-EI, and are incorporated herein by reference.

2. The fuel factors developed and proposed by FPL for the period October 1994 through March 1995, reflect a final \$2,066,794 overrecovery for the October 1993 through March 1994 period and an estimated/actual \$32,451,868 overrecovery for the April 1994 through September 1994 period.

3. FPL is proposing to change the method of allocating fuel costs among the rate classes. The current method charges all rate classes the same average cost per kWh. In the Company's proposal

the kWh's consumed in each hour are weighted such that kWh's consumed in hours with higher loads are allocated a higher proportion of fuel costs and vice versa.

FPL believes this allocation method is more appropriate because this method addresses the fact that costs of each kWh consumed are not the same during every hour of the day due to the differences in prices between fuels and efficiencies between generating units.

4. The oil backout cost recovery factor of .011 cents per kWh for the October 1994 through March 1995 billing period was computed in accordance with Rule 25-17.16. The calculation of this levelized factor is contained in Appendix V to the testimony of B.T. Birkett and is incorporated herein by reference.

5. The capacity cost recovery factors for the period October 1994 through March 1995 are included as Attachment I to this Petition.

6. FPL proposes to change the method by which capacity costs are recovered from standby customers, taking service under Schedule SST-1 or ISST-1. This proposal would change the application of the capacity charge from the current reservation or contract demand charge to a reservation component. FPL believes this recovery method is appropriate because the proposed method of recovery calculates and applies the reservation component and daily demand component the same way as it was approved in our base rates by the Commission in Docket No. 850673-EU, Order No. 17159, daily-reservation demand component.

7. The GPIF targets for the period October 1994 through March 1995, are calculated in accordance with the methodology which is contained in the Generating Performance Incentive Factor Implementation Manual adopted by Order No. 10168 in Docket No. 810001-EU and as revised by Order No. 10912 entered in Docket No. 820001-EU on June 22, 1982.

8. A residential bill for 1,000 kWh for the period October 1994 through March 1995, will be \$71.73. The 1,000 kWh residential bill includes a base rate charge of \$47.38, a fuel recovery charge of \$15.81, a conservation charge of \$2.43, an oil backout charge of \$.11, a capacity cost recovery charge of \$5.17, an environmental cost recovery charge of \$.10, and Gross Receipt Tax of \$.73.

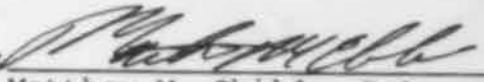
WHEREFORE, FPL respectfully requests this Commission to approve the fuel and purchased power cost recovery charges, the oil backout recovery charge, and the capacity cost recovery charges requested herein for its October 1994 through March 1995, billing period based upon scheduled meter readings to be read on or after Cycle Day 3 through Cycle Day 2, and to continue these charges until modified by subsequent order of this Commission, and to approve the proposed GPIF targets of 79.7% for weighted system equivalent availability and 9692 BTU/kWh for weighted system average net operating heat rate for the period October 1, 1994 through March 31, 1995 and requests the Commission to rule that the change to the method of recovery of fuel costs to a weighted kWh allocation method is appropriate, and that the change to the method by which capacity costs are recovered from standby customers

(Schedule SST-1 or ISST-1) by using a reservation component is appropriate.

DATED this 27th day of June 1994.

Respectfully submitted,

STEEL HECTOR & DAVIS
215 South Monroe Street
Suite 601
Tallahassee, FL 32301-1804
Attorneys for Florida Power
& Light Company

By: 
Matthew M. Childs, P.A.

FLORIDA POWER & LIGHT COMPANY
CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR
OCTOBER 1994 THROUGH MARCH 1995

| 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 | 52.09695% | 59.46217% | \$6,094,333 | \$83,471,046 | \$89,565,379 | 17,326,577,684 | - | - | - | 0.00517 |
| GS1 | 6.47205% | 6.47694% | \$757,104 | \$9,092,116 | \$9,849,220 | 2,152,496,365 | - | - | - | 0.00458 |
| GSD1 | 23.39187% | 20.32899% | \$2,736,395 | \$28,537,170 | \$31,273,565 | 7,780,242,450 | 48.09679% | 18,450,862 | 1.69 | - |
| OS2 | 0.02816% | 0.01715% | \$3,294 | \$24,075 | \$27,369 | 9,572,082 | - | - | - | 0.00286 |
| GSLD1/CS1 | 9.92753% | 8.12470% | \$1,161,328 | \$11,405,188 | \$12,566,516 | 3,305,718,334 | 63.34186% | 7,149,113 | 1.76 | - |
| GSLD2/CS2 | 2.54123% | 1.94182% | \$297,275 | \$2,725,863 | \$3,023,138 | 851,030,542 | 68.61320% | 1,699,083 | 1.78 | - |
| GSLD3/CS3 | 1.20110% | 0.87211% | \$140,505 | \$1,224,239 | \$1,364,744 | 416,590,761 | 73.40974% | 777,380 | 1.76 | - |
| ISST1D | 0.00267% | 0.00279% | \$336 | \$3,917 | \$4,253 | 953,978 | 31.27366% | 4,179 | ** | - |
| SST1T | 0.10294% | 0.06899% | \$12,042 | \$96,846 | \$108,888 | 35,705,470 | 11.76175% | 415,853 | ** | - |
| SST1D | 0.03691% | 0.01996% | \$4,318 | \$28,019 | \$32,337 | 12,408,681 | 33.90571% | 50,134 | ** | - |
| CALC D/CALC G | 2.12232% | 1.49113% | \$248,270 | \$2,093,199 | \$2,341,469 | 708,933,706 | 69.80656% | 1,391,190 | 1.68 | - |
| CALC T | 1.32664% | 0.90130% | \$155,191 | \$1,265,215 | \$1,420,406 | 460,130,868 | 71.06085% | 887,009 | 1.60 | - |
| MET | 0.11049% | 0.10173% | \$12,925 | \$142,805 | \$155,730 | 37,552,762 | 60.60694% | 84,878 | 1.83 | - |
| OL1/SL1 | 0.55296% | 0.13111% | \$64,686 | \$184,048 | \$248,734 | 183,905,772 | - | - | - | 0.00135 |
| SL2 | 0.08598% | 0.05909% | \$10,058 | \$82,949 | \$93,007 | 28,594,545 | - | - | - | 0.00325 |
| TOTAL | | | \$11,698,060 | \$140,376,723 | \$152,074,783 | 33,310,414,000 | | 30,908,661 | | |

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 Document No. 2
- (2) Obtained from Document No. 2
- (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 October 1994 through March 1995
- (7) (1993 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)

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

| | | |
|---------------------------------|---|------------|
| Reservation | | |
| Demand = | $(\text{Total col 5}) / (\text{Doc 2, Total col 7}) / (10) (\text{Doc 2, col 4})$ | |
| Charge (RDC) | 6 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) | 6 months | |
| CAPACITY RECOVERY FACTOR | | |
| | RDC | SDD |
| | ** (\$/kw) | ** (\$/kw) |
| ISST1 (D) | \$0.23 | \$0.11 |
| SST1 (T) | \$0.22 | \$0.10 |
| SST1 (D) | \$0.23 | \$0.11 |

CERTIFICATE OF SERVICE
DOCKET NO. 940001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition For Approval Of Its Levelized Fuel Recovery Charge, Oil Backout Cost Recovery Factor, Capacity Cost Recovery Factors, and GPIF Targets along with the Testimony of R. Silva, B. T. Birkett and D. C. Poteralski have been furnished by Hand Delivery** or U. S. Mail this 27th day of June, 1994, to the following:

Donna Canzano, Esq.**
Division of Legal Services
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