

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 950001-EI
FILED: JANUARY 17, 1994

PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS,
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 the levelized fuel cost recovery factors submitted as Attachments I and II to this petition, to approve a charge of .012 cents per kWh as its oil backout cost recovery factor and to approve the capacity cost recovery factors submitted as Attachments III to this Petition, all charges being for the April 1995 through September 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 89.6% for weighted system equivalent availability and 9674 BTU/kWh for weighted system average net operating heat rate for the period April 1, 1995 through September 30, 1995, all charges being for the April 1995

through September 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 April 1, 1995, and the last cycle may be read after September 30, 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 April 1995 through September 1995, are contained in Commission Schedules E1 through E10 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. 950001-EI, and are incorporated herein by reference.

2. The fuel factors developed and proposed by FPL for the period April 1995 through September 1995, reflect a final \$6,684,993 underrecovery for the April 1994 through September 1994 period and an estimated/actual \$21,299,545 overrecovery for the October 1994 through March 1995 period.

3. FPL has proposed 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. This proposed allocation method was originally submitted on June 27, 1994 and deferred to this filing during the August 1994 fuel hearings.

4. FPL is requesting the Commission to approve recovery of \$2,754,502 of equipment modifications at some of its generating facilities to enable these facilities to operate using a less expensive grade of residual crude oil.

FPL estimates that these equipment modifications will yield fuel savings of approximately \$8.38 million during the April 1995 through September 1995 period and \$81.3 million from 1995 to 1999.

5. The oil backout cost recovery factor of .012 cents per kWh for the April 1995 through September 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.

6. The capacity cost recovery factors for the period April 1995 through September 1995 are included as Attachment III to this Petition.

7. The GPIF targets for the period April 1995 through September 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 April 1995 through September 1995, will be \$72.65. The 1,000 kWh residential bill includes a base rate charge of \$47.38, a fuel recovery charge of \$17.64, a conservation charge of \$2.52, an oil backout charge of \$.12, a capacity cost recovery charge of \$4.15, an environmental cost recovery charge of \$.10, and Gross Receipt Tax of \$.74.

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 April 1995 through September 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 89.6% for weighted system

FLORIDA POWER & LIGHT COMPANY
 DETERMINATION OF FUEL RECOVERY FACTOR
 NON - TIME OF USE RATE SCHEDULE
 APRIL 1995 - SEPTEMBER 1995

Rate Schedule	(1) Weighted kWh	(2) Weighted %	(3) kWh Sales	(4) kWh %	(5) Price Multiplier	(6) Retail Class Avg Factor	(7) Rate Class Avg Factor	(8) Loss Multiplier	(9) Fuel Recovery Factor (¢/kWh)
RS - 1	5,031,449	54.42%	20,763,677,278	53.91%	1.009	1.744	1.760	1.00210	1.764
GS - 1	611,187	6.61%	2,501,258,875	6.49%	1.018	1.744	1.775	1.00210	1.779
GSD - 1	2,086,659	22.57%	8,725,716,479	22.66%	0.996	1.744	1.737	1.00204	1.741
GSLD - 1	823,012	8.90%	3,492,331,671	9.07%	0.982	1.744	1.712	1.00092	1.714
GSLD - 2	188,685	2.04%	810,431,087	2.10%	0.970	1.744	1.691	0.99500	1.683
GSLD - 3	104,604	1.13%	454,434,203	1.18%	0.959	1.744	1.672	0.96091	1.607
CS - 1	33,372	0.36%	140,478,485	0.36%	0.990	1.744	1.726	1.00024	1.726
CS - 2	28,139	0.30%	122,304,593	0.32%	0.958	1.744	1.671	0.99656	1.666
CILC - D	167,189	1.81%	727,479,558	1.89%	0.957	1.744	1.670	0.99757	1.666
CILC - G	6,334	0.07%	27,144,629	0.07%	0.972	1.744	1.695	1.00210	1.699
CILC - T	109,010	1.18%	480,934,619	1.25%	0.944	1.744	1.647	0.96091	1.582
MET	9,292	0.10%	40,295,663	0.10%	0.961	1.744	1.675	0.98063	1.643
OL - 1	9,706	0.10%	48,480,365	0.13%	0.834	1.744	1.455	1.00210	1.458
SL - 1	29,029	0.31%	145,078,759	0.38%	0.834	1.744	1.454	1.00210	1.457
SL - 2	7,797	0.08%	34,307,058	0.09%	0.947	1.744	1.651	1.00210	1.655
Total	9,245,461	100.00%	38,514,363,323	100.00%	1.000	1.744	1.744	1.00000	1.744

(1) 1993 April - Sept actual sales with each rate's usage in a given hour is weighted by the total usage in that hour.

(2) Col (1) / total col (1)

(3) 1993 April - Sept actual sales.

(4) Col (3) / total col (3)

(5) Col (2) / col (4) (full precision not shown)

(6) Schedule E 1 page 1 of 3, line 34.

(7) Col (5) * (6)

(8) 1993 energy losses.

(9) Col (7) * col (8)

Note:

SST 1 - (T) and SST 1 - (D) grouped with applicable GSLDT rate classes.

ISST 1-(D) grouped with applicable CILC rate classes.

OS - 2 based on GSD - 1 rate.

FLORIDA POWER & LIGHT COMPANY
 DETERMINATION OF FUEL RECOVERY FACTOR
 TIME OF USE RATE SCHEDULE
 APRIL 1995 - SEPTEMBER 1995

Rate Schedule	(1) Rate Class Avg Factor	(2) On Peak Factor	(3) Off Peak Factor	(4) Loss Multiplier	(5) On Peak Fuel Recovery Factor (\$/kWh)	(6) Off Peak Fuel Recovery Factor (\$/kWh)
RST - 1	1.760	1.996	1.647	1.00210	2.000	1.650
GST - 1	1.775	2.013	1.660	1.00210	2.017	1.664
GSDT - 1	1.737	1.970	1.625	1.00204	1.974	1.628
GSLDT - 1	1.712	1.941	1.601	1.00092	1.943	1.603
GSLDT - 2	1.691	1.918	1.582	0.99500	1.908	1.574
GSLDT - 3	1.672	1.896	1.564	0.96091	1.822	1.503
CST - 1	1.726	1.957	1.614	1.00024	1.957	1.615
CST - 2	1.671	1.895	1.563	0.99656	1.889	1.558
CILC - D	1.670	1.893	1.562	0.99757	1.889	1.558
CILC - G	1.695	1.922	1.586	1.00210	1.926	1.589
CILC - T	1.647	1.867	1.540	0.96091	1.794	1.480

Note:

SST 1 - (T) and SST 1 - (D) grouped with applicable GSLDT rate classes.
 ISST 1-(D) grouped with applicable CILC rate classes.

- (1) Schedule E 1, page 2 of 3, col 7
- (2) Col 1 * On-peak multiplier * Revenue Correction Factor
- (3) Col 1 * Off-peak multiplier * Revenue Correction Factor
- (4) 1993 energy losses.
- (5) Col 2 * col 4
- (5) Col 3 * col 4

TIME OF USE DERIVATION

	kWh %	Marginal Fuel Cost \$/kWh	
On-Peak	32.57%	On-Peak	2.57
Off-Peak	67.43%	Off-Peak	2.12
	100.00%	All Hours	2.24
On-Peak Multiplier	= on-peak \$/kWh / all hours \$/kWh =		1.1473214
Off-Peak Multiplier	= off-peak \$/kWh / all hours \$/kWh =		0.9464286
Revenue Correction Factor	= (see formula below)		0.9882796
	1		
(on-peak multiplier * on-peak kWh %) + (off-peak multiplier * off-peak kWh %)			

FLORIDA POWER & LIGHT COMPANY
CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR
APRIL 1995 THROUGH SEPTEMBER 1995

Rate Class	(1) Percentage of Sales at Generation (%)	(2) Percentage of Demand at Generation (%)	(3) Energy Related Cost (\$/kwh)	(4) Demand Related Cost (\$/kwh)	(5) Total Capacity Costs (\$/kwh)	(6) Projected Sales at Meter (kwh)	(7) Billing KW Load Factor (%)	(8) Projected Billed KW at Meter (kwh)	(9) Capacity Recovery Factor (\$/kwh)	(10) Capacity Recovery Factor (\$/kwh)
RS1	52.00095%	58.48217%	\$5,777.830	\$78,133,322	\$84,910,852	20,468,284,428	-	-	-	0.00415
GS1	8.47205%	8.47884%	\$717,780	\$8,818,828	\$9,337,288	2,942,543,988	-	-	-	0.00267
GS01	23.39188%	20.32889%	\$2,584,184	\$27,054,184	\$28,848,378	8,180,081,847	-	21,784,300	1.36	-
GS2	0.02817%	0.01715%	\$3,124	\$22,824	\$25,848	11,308,187	-	-	-	0.00229
GSLO1CS1	8.82753%	8.12470%	\$1,100,978	\$10,812,488	\$11,913,474	3,904,736,882	63.34186%	8,444,587	1.41	-
GSLO2CS2	2.54123%	1.84182%	\$281,828	\$2,584,208	\$2,866,035	1,005,244,338	88.91200%	2,008,971	1.43	-
GSLO3CS3	1.20110%	0.87210%	\$133,204	\$1,180,808	\$1,283,810	482,078,271	73.40974%	818,245	1.41	-
SS110	0.00288%	0.00279%	\$317	\$3,713	\$4,030	1,125,310	31.27269%	4,829	**	-
SS111	0.10294%	0.08000%	\$11,418	\$81,828	\$103,242	42,175,525	11.78175%	481,208	**	-
SS112	0.00881%	0.01080%	\$4,083	\$28,583	\$30,858	14,858,575	33.80571%	58,218	**	-
CLC DCLC G	2.12231%	1.48113%	\$235,387	\$1,884,423	\$2,218,780	837,398,055	88.80059%	1,643,281	1.35	-
CLC T	1.32883%	0.80131%	\$147,125	\$1,188,480	\$1,348,805	543,508,085	71.00085%	1,047,740	1.28	-
MET	0.11050%	0.10174%	\$12,255	\$135,397	\$147,852	44,358,257	80.80894%	100,283	1.47	-
OL UBL1	0.55288%	0.13111%	\$81,324	\$174,484	\$235,808	217,232,087	-	-	-	-
SL2	0.06687%	0.05008%	\$8,534	\$78,838	\$88,172	33,775,045	-	-	-	0.00108
TOTAL			\$11,080,147	\$133,081,785	\$144,171,942	38,348,511,000		38,510,740		0.00281

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Reservation	-
Demand	-
Charge (RDC)	$\frac{[(\text{Total cal } \$90\text{Dec } 2, \text{ Total cal } 7\&10) \text{ (Doc } 2, \text{ col } 4)]}{8 \text{ months}}$
Sum of Daily	-
Demand	-
Charge (DOC)	$\frac{[(\text{Total cal } \$90\text{Dec } 2, \text{ Total cal } 7\&10) \text{ (peak demand) (Doc } 2, \text{ col } 4)]}{8 \text{ months}}$
CAPACITY RECOVERY FACTOR	
RDC	DOC
** (R/kw)	** (R/kw)
\$0.18	\$0.08
SS11 (I)	SS11 (I)
\$0.17	\$0.08
SS11 (O)	SS11 (O)
\$0.18	\$0.08

Note: There are currently no customers taking service on Schedule SSST1(1). Should any customer begin taking service on this schedule during the period, they will be billed using the SSST(0) Factor.

(1) Obtained from Document No. 2
 (2) Obtained from Document No. 2
 (3) (Total Capacity Cost/13) * Cal(1)
 (4) (Total Capacity Cost/13) * 12 * Cal(2)
 (5) Cal(2) * Cal(4)
 (6) Projected kWh sales for the period April 1995 through September 1995
 (7) (1993 kWh sales / 8780 hours) Billing customer NCP8780 hours
 (8) Cal(8) / 87 * 720 For GSD-1, only 83.265% of KW are billed due to 10 KW exemption
 (9) Cal(5) / (8)
 (10) Cal(5) / (8)

CERTIFICATE OF SERVICE
DOCKET NO. 950001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition for Approval of Levelized Fuel Cost Recovery Factors, Oil Backout Cost Recovery Factor, Capacity Cost Recovery Factors, and GPIF Targets and Testimony of R. Silva, C. Villard and B.T. Birkett have been furnished by Hand Delivery** or U. S. Mail this 17th day of January, 1995, to the following:

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