

Steel Hector & Davis

Tallahassee, Florida

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February 13, 1995

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Law

By Hand Delivery

Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

**Re: Conservation Cost Recovery Clause
Docket No. 950002-EG**

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are the original and fifteen (15) copies of Florida Power & Light Company's Prehearing Statement.

Also enclosed is a diskette containing a copy of Florida Power & Light Company's Prehearing Statement. The diskette is a 3.5 inch high density diskette using Word Perfect 6.0a for Windows.

If you or your Staff have any questions regarding this filing, please contact me.

Very truly yours,

Charles A. Guyton

Charles A. Guyton

- ACK
- AFA
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG *Bratt* sh
- JEG *1* _____ encs.
- JN *4* _____ cc: All Parties of Record
- MIC _____
- OH _____
- IC *1* _____
- AS _____
- TH _____

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JG

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DOCUMENT NUMBER - DATE

01698 FEB 13 1995

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost)
Recovery Clause)

Docket No. 950002-EG
Filed: February 13, 1995

FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-95-0066-PCO-EG, Florida Power & Light Company ("FPL") files its Prehearing Statement.

(a) The name of all known witnesses that may be called by the party, and the subject matter of their testimony:

<u>Witness</u>	<u>Subject Matter</u>
M.I. Arias	Projection for April 1995 - March 1996, the Estimated True-Up for October 1994 - March 1995, and the Final True-Up for October 1993 - September 1994

(b) A description of all known exhibits that may be used by the party, whether they may be identified on a composite basis, and the witness sponsoring each:

FPL has prefiled two exhibits that should be identified separately.

<u>Exhibit</u>	<u>Content</u>	<u>Sponsoring Witness</u>
MIA-1	Schedules CT-1 through CT-6	M.I. Arias
MIA-2	Schedules C-1 through C-5	M.I. Arias

(c) A statement of basic position in the proceeding:

FPL's proposed Conservation Cost Recovery Factors for the April 1995 through March 1996 recovery period and true-up amounts for prior periods should be approved.

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01698 FEB 13 95
FPSC-RECORDS/REPORTING

(d) A statement of each question of fact the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue:

General Issues

ISSUE 1: What is the final end-of-the-period true-up amount for the period October 1993 through September 1994?

FPL: \$2,079,877 overrecovery (Arias)

ISSUE 2: What are the appropriate conservation cost recovery factors for the period April 1995 through March 1996?

<u>FPL:</u>	<u>Rate Class</u>	<u>ECCR Factor</u>	<u>Rate Class</u>	<u>ECCR Factor</u>
	RS1	.00252 \$/kWH	SST1T	.00181 \$/kWH
	GS1	.00233 \$/kWH	SST1D	.00170 \$/kWH
	GSD1	.00216 \$/kWH	CILCD/CILCG	.00193 \$/kWH
	OS2	.00177 \$/kWH	CILCT	.00183 \$/kWH
	GSLD1/CS1	.00209 \$/kWH	MET	.00218 \$/kWH
	GSLD2/CS2	.00200 \$/kWH	OL1/SL1	.00132 \$/kWH
	GSLD3/CS3	.00189 \$/kWH	SL2	.00191 \$/kWH
	ISST1D	.00229 \$/kWH		

(Arias)

ISSUE 3: Are all the utilities participating in the conservation cost recovery clause entitled to recover their advertising expenses incurred during the period October 1993 through September 1994?

FPL: FPL is entitled to recover all its advertising expenses incurred during the period October 1993 through September 1994.

This issue should be reworded to identify specific utilities, advertisements, expenses and the rationale for potential disallowance. As worded it does not sufficiently focus the controversy to allow testimony; it is overbroad, potentially causing utilities to seek to provide detailed, supplemental justifications for advertisements no one challenges. For instance, FPL is not aware of any party having a concern with any of FPL's advertisements, yet the issue as worded puts all of FPL's advertisements in controversy.

ISSUE 4: Should the Commission open a docket to establish standards for the energy claims made in advertisements and promotional literature related to ECCR? Some of the related variables are energy efficiency, energy consumption, equipment costs, etc.

FPL: No. The Commission should consider ECCR advertising expenses on a case by case basis within the guidelines of the existing rule. Establishing standards for multiple industries for the wide variety of factors mentioned is impractical. The Commission recently acknowledged this difficulty in the Goals docket and opted for further research.

FPL has concerns about the issue as it is presently worded. FPL needs clarification of matters to be able to formulate testimony. In short, FPL needs to understand the scope of the potential docket. FPL's confusion about this issue stems from the term "energy claims" as well as the seeming change in the scope of the issue.

As to "energy claims," FPL is not certain what is meant. How do "equipment costs" relate to "energy claims?" Would a dollar savings claim in an advertisement be considered an "energy claim?"

Would the purpose of the docket be to consider the "related variables" mentioned - "energy efficiency, energy consumption, equipment costs, etc.?" If so, what is included by the term "etc.?" Would the purpose of the docket be to consider standards that would limit speech, or would the standards be limited to ECCR cost recovery?

By rewording the issue, did staff intend to extend the scope of the potential docket from applications that have alternative fuel options to all applications?)

ISSUE 5: Should the electric utilities be permitted to recover the cost of their participation in the Conservation Goals Dockets through conservation cost recovery?

FPL: Yes. The costs for the Goals docket should be borne by the customers who will benefit from the docket. Given that the Commission developed goals based on the potential cost-effective under the RIM and Participants tests, all customers will benefit and should pay the associated costs. (Arias)

Company-Specific Conservation Cost Recovery Issues

ISSUE 8: Is Florida Power & Light Company's proposed methodology for disbursement of its \$30,390,729 refund from DOR for overcollection of gross receipts taxes on load management credits reasonable?

FPL: Yes. (Arias)

ISSUE 9: Should Florida Power & Light Company be allowed to recover approximately \$320,000 through Conservation Research and Development (CRD) Program for preliminary research of real time pricing?

FPL: Yes. These funds were spent in research and development of an anticipated conservation research project before Staff raised any concerns about the recovery of RTP funds through ECCR. This is exactly the type of funds for which CRD exists, and a disallowance could chill the pursuit of conservation options. (Arias)

(e) A statement of each question of law the party considers at issue and the party's position on each such issue:

FPL is not aware of any questions of law at issue.

(f) A statement of each policy question the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue:

FPL is not aware of any policy questions at issue.

(g) A statement of issues that have been stipulated to by the parties:

FPL is not aware of any stipulated issues.

(h) A statement of all pending motions or other matters the party seeks action upon:

FPL has no pending motions or other matters upon which it seeks action other than its pending petitions for approval of a final true-up and conservation cost recovery factors.

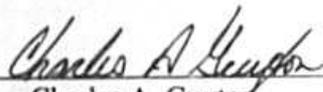
(i) A statement as to any requirement set forth in the Order On Prehearing Procedure that cannot be complied with, and the reasons therefor.

FPL believes it has complied with the requirements of the Order Establishing Procedure.

Respectfully submitted,

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Attorneys for Florida
Power & Light Company

By: 
Charles A. Guyton

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Prehearing Statement was served by Hand Delivery (when indicated with an *) or mailed this 13th day of February, 1995 to the following:

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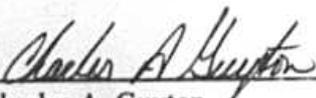
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