

**Steel Hector & Davis**

Tallahassee, Florida

Matthew M. Childs, P.A.  
(904) 222-4448

July 12, 1995

ORIGINAL  
FILE COPY

Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, FL 32399-0850

RE: **DOCKET NO. 950001-EI**

Dear Ms. Bayó:

Enclosed for filing please find the original and fifteen (15) copies of Florida Power & Light Company's Prehearing Statement in the above referenced docket.

Also enclosed is a formatted double sided high density 3.5 inch diskette containing the Prehearing Statement for Florida Power & Light Company.

Very truly yours,



Matthew M. Childs, P.A.

ACK 2

ATA 5

MM MMC/ml

cc: All Parties of Record

*Cordley*

RE 31

ET 3

CS

MS

SEC 1

WAS

OTH

RECEIVED & FILED  
*WAS*  
FPSO-BUREAU OF RECORDS

Tallahassee Office  
215 South Monroe  
Suite 601  
Tallahassee, FL 32301-1804  
(904) 222-2300  
Fax: (904) 222-8410

4000 Southeast Financial Center  
Miami, FL 33131-2198  
(305) 577-2800  
Fax: (305) 358-1418

1900 Phillips Point West  
777 South Flagler Drive  
West Palm Beach, FL 33401-6100  
(407) 650-7200  
Fax: (407) 655-1509

DOCUMENT FILED  
06602 JUL 12 1995  
FPSO-RECORDS & REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Investigation Of Fuel ) DOCKET NO. 950001-EI  
Cost Recovery Clauses Of )  
Electric Companies ) FILED: JULY 12, 1995

FLORIDA POWER & LIGHT COMPANY'S  
PREHEARING STATEMENT

Pursuant to Order No. PSC-95-0771-PCO-EI, issued June 27, 1995, establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

A. APPEARANCES

Matthew M. Childs, P.A.  
Steel Hector & Davis  
215 South Monroe Street  
Suite 601  
Tallahassee, FL 32301

B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
R. SILVA C. VILLARD B. T. BIRKETT	Fuel Adjustment, True-Up and Projections	1,2,3 4,5,6,7,8 9a,9b,25
R. SILVA	GPIF, True-Up and Projections	12,13
B. T. BIRKETT	Oil Backout, True-Up and Projections	15,16, 17,18
B. T. BIRKETT	Capacity Cost Recovery, True-Up and Projections	19,20,21, 22,23

**C. EXHIBITS**

<b><u>EXHIBITS</u></b>	<b><u>WITNESS</u></b>	<b><u>DESCRIPTION</u></b>
(BTB-1)	B. T. BIRKETT	Appendix I/Fuel Cost Recovery True-Up Calculation
(BTB-2)	B. T. BIRKETT	Appendix II/Capacity Cost Recovery True-Up Calculation
(BTB-3)	B. T. BIRKETT	Appendix III/Oil Backout Cost Recovery True-Up Calculation
(BTB-4)	B. T. BIRKETT	Appendix IV/A Schedules October 1994 - March 1995
(RS-1)	R. SILVA	Appendix I/Fuel Cost Recovery Forecast Assumptions
(BTB-5)	B. T. BIRKETT	Appendix II/Fuel Cost Recovery E-Schedules
(BTB-6)	B. T. BIRKETT	Appendix III/Fuel Cost Recovery A Schedule
(BTB-7)	B. T. BIRKETT	Appendix IV/Capacity Cost Recovery Calculation of Factors
(BTB-8)	B. T. BIRKETT	Appendix V/Oil Backout Cost Recovery Calculation of Factor
(RS-2)	R. SILVA	Document No. 1/GPIF Results
(RS-3)	R. SILVA	Document No. 1/GPIF Targets and Ranges

**D. STATEMENT OF BASIC POSITION**

None Necessary.

**E. STATEMENT OF ISSUES AND POSITIONS**

**FUEL ADJUSTMENT ISSUES**

1. What is the final fuel true-up amount for the period October 1, 1994 through March 31, 1995?

**FPL:** \$12,465,206 overrecovery. (BIRKETT)

2. What is the estimated/actual fuel true-up amount for the period April 1, 1995 through September 30, 1995 based upon two months actual and four months revised estimates?

**FPL:** \$50,864,415 underrecovery. (BIRKETT)

3. What is the total fuel true-up to be refunded during the period October 1, 1995 through March 31, 1996?

**FPL:** \$38,399,209 underrecovery. (BIRKETT)

4. What is the appropriate levelized fuel adjustment factor for the period October 1, 1995 through March 31, 1996?

**FPL:** 1.769 cents/kwh is the levelized recovery charge. (BIRKETT)

5. What should be the effective date of the new fuel adjustment charge, oil backout cost recovery charge and capacity cost recovery charge for billing purposes?

**FPL:** The Company is requesting that these new charges become effective starting with meter readings scheduled to be read on or after October 1, 1995 (Cycle Day 3) and continue through March 31, 1996 (Cycle Day 2). Billing cycles may start before October 1, 1995, and the last cycle may be read after March 31, 1996, so that each customer is billed for six months regardless of when the adjustment factor became effective. (BIRKETT)

6. What are the appropriate fuel recovery line loss multipliers for each rate class?

**FPL:** The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 7. (BIRKETT)

7. What are the appropriate Fuel Cost Recovery Factors for each rate group?

**FPL:**

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1,GS-1, SL-2	1.779	1.00197	1.773
A-1	SL-1,OL-1	1.763	1.00197	1.766

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
B	GSD-1	1.769	1.00196	1.773
C	GSLD-1 & CS-1	1.769	1.00171	1.772
D	GSLD-2, CS-2, OS-2 & MET	1.769	0.99678	1.764
E	GSLD-3 & CS-3	1.769	0.96190	1.702
A	RST-1, GST-1			
	ON-PEAK	1.812	1.00197	1.815
	OFF-PEAK	1.754	1.00197	1.757
B	GSDT-1 CILC-1 (G)			
	ON-PEAK	1.812	1.00196	1.815
	OFF-PEAK	1.754	1.00196	1.757
C	GSLDT-1 & CST-1			
	ON-PEAK	1.812	1.00171	1.815
	OFF-PEAK	1.754	1.00171	1.756
D	GSLDT-2 & CST-2			
	ON-PEAK	1.812	0.99678	1.806
	OFF-PEAK	1.754	0.99678	1.748
E	GSLDT-3, CST-3 CILC-1 (T) & ISST-1 (T)			
	ON-PEAK	1.812	0.96190	1.743
	OFF-PEAK	1.754	0.96190	1.687
F	CILC-1 (D) & ISST-1 (D)			
	ON-PEAK	1.812	0.99827	1.809
	OFF-PEAK	1.754	0.99827	1.750 (BIRKETT)

8. What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October 1995 through March 1996?

**FPL:** 1.01609. (BIRKETT)

### COMPANY SPECIFIC FUEL ISSUES

9a. Should FPL make any adjustment to its fuel cost recovery projections to take into account sales under its Real Time Pricing - General Service (RTP-GX) rate schedule?

**FPL:** No. The Real Time Pricing - General Service (RTP-GX) rate schedule is an experimental rate which was approved by the Florida Public Service Commission on October 11, 1994. Currently, any consumption changes from anticipated RTP customers would be too small to impact the fuel cost recovery factor projection. The impact of RTP pricing is being removed from the monthly true-up calculation. (BIRKETT)

9b. Should FPL be allowed to recover through the Fuel Cost Recovery Clause the cost of implementing a change from an 18 month fuel cycle operation to a 24 month fuel cycle operation of St. Lucie Units 1 and 2?

**FPL:** Yes. FPL is requesting to be authorized to recover \$2.7 million in implementation costs associated with changing from an 18 month fuel cycle operation to a 24 month fuel cycle operation of St. Lucie Units 1 and 2. FPL proposes to recover these costs through the Fuel Cost Recovery Clause in 1998, the same time that the fuel savings are realized by the customers. FPL projects the fuel savings to be \$171 million through the year 2016. Recovery through the Fuel Cost Recovery Clause is consistent with Order No. 14546 issued on July 8, 1985 in Docket No. 850001-EI-B. These expenditures will result in significant fuel savings for FPL's customers and appear to be the type of a cost which the Commission contemplated being recovered through the clause. For these reasons, FPL believes that it is appropriate to bring this issue forward for Commission consideration and approval. (BIRKETT/VILLARD)

### GPIF ISSUES

12. What should the GPIF Rewards/Penalties be for the period of October 1, 1994 through March 31, 1995?

**FPL:** \$3,109,109 reward. (SILVA)

13. What should the GPIF targets/ranges be for the period of October 1, 1995 through March 31, 1996?

**FPL:**

<b>PLANT/UNIT</b>	<b>EAF TARGET (%)</b>	<b>HEAT RATE TARGET</b>
CAPE CANAVERAL 1	91.1	9330
CAPE CANAVERAL 2	90.8	9436
LAUDERDALE 4	87.7	7288
LAUDERDALE 5	87.7	7248
FORT MYERS 2	94.1	9308
PORT EVERGLADES 3	83.1	9133
PORT EVERGLADES 4	96.0	9132
PUTNAM 1	96.0	8777
PUTNAM 2	95.3	8596
ST. JOHN'S RIVER	96.0	9335
TURKEY POINT 1	82.9	9279
TURKEY POINT 2	95.2	9524
TURKEY POINT 3	79.8	10874
TURKEY POINT 4	76.8	10912
ST. LUCIE 1	89.6	10828
ST. LUCIE 2	58.8	10856
SCHERER 4	96.0	<u>9939</u>

**GPIF SYSTEM WEIGHTED AVERAGE HR** 9729  
(SILVA)

#### **OIL BACKOUT ISSUES**

15. What is the final Oil Backout True-Up amount for the period October 1, 1994 through March 31, 1995?

**FPL:** \$6,647 underrecovery. (BIRKETT)

16. What is the estimated/actual Oil Backout True-Up amount for the period April 1, 1995 through September 30, 1995?

**FPL:** \$131,367 underrecovery. (BIRKETT)

17. What is the total Oil Backout True-Up amount to be collected during the period October 1, 1995 through March 31, 1996?

**FPL:** \$138,014 underrecovery. (BIRKETT)

18. What is the Projected Oil Backout Cost Recovery Factor that should be used by the Company for the period October 1, 1995 through March 31, 1996?

**FPL:** .013 cents/kwh. (BIRKETT)

**CAPACITY COST RECOVERY ISSUES**

19. What is the final capacity true-up amount for the period October 1, 1994 through March 31, 1995?

**FPL:** \$4,856,873 overrecovery. (BIRKETT)

20. What is the estimated/actual capacity true-up amount for the period April 1, 1995 through September 30, 1995, which are based upon two months actual and four months revised estimates?

**FPL:** \$7,472,759 underrecovery. (BIRKETT)

21. What is the total capacity true-up amount to be collected during the period October 1, 1995 through March 31, 1996?

**FPL:** \$2,615,886 underrecovery. (BIRKETT)

22. What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October 1995 through March 1996?

**FPL:** \$218,222,960 (BIRKETT)

23. What are the appropriate Capacity Cost Recovery Factors for each rate group?

**FPL:**

<b>RATE CLASS</b>	<b>CAPACITY RECOVERY FACTOR (\$/KW)</b>	<b>CAPACITY RECOVERY FACTOR (\$/KWH)</b>
RS1	-	0.00694
GS1	-	0.00680
GSD1	2.54	-
OS2	-	0.00473
GSLD1/CS1	2.58	-
GSLD2/CS2	2.59	-
GSLD3/CS3	2.48	-
CILCD/CILCG	2.58	-
CILCT	2.48	-
MET	2.68	-
OL1/SL1	-	0.00192
SL2	-	0.00458



RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.33	.15
SST1T	.31	.15
SST1D	.32	.15 (BIRKETT)

**GENERIC AERIAL COAL INVENTORY ISSUE**

25. Should the Commission approve a permanent change in the frequency of aerial surveys from quarterly to semi-annually?

**FPL:** Yes. (SILVA)

**F. STIPULATED ISSUES**

None at this time.


**G. MOTIONS**

FPL is aware of no outstanding Motions at this time.

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.

**CERTIFICATE OF SERVICE  
DOCKET NO. 950001-EI**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Prehearing Statement have been furnished by Hand Delivery\*\* or U.S. Mail this 12th day of July, 1995, to the following:

Martha C. Brown, Esq.\*\*  
Division of Legal Services  
FPSC  
2540 Shumard Oak Blvd. Rm.370  
Tallahassee, FL 32399-0850

Joseph A. McGlothlin, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
315 S. Calhoun Street  
Suite 716  
Tallahassee, FL 32301

G. Edison Holland, Esq.  
Jeffrey A. Stone, Esq.  
Beggs and Lane  
P. O. Box 12950  
Pensacola, FL 32576

Floyd R. Self, Esq.  
Messer, Vickers, Caparello,  
Madsen, Lewis, Goldman &  
Metz, P.A.  
P. O. Box 1876  
Tallahassee, FL 32302-1876

Richard A. Zambo, P.A.  
598 S.W. Hidden River Ave.  
Palm City, FL 34990

Peter J.P. Brickfield, Esq.  
Brickfield, Burchette  
& Ritts, P.C.  
1025 Thomas Jefferson St.N.W.  
Eighth Floor, West Tower  
Washington, D.C. 20007

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
Post Office Box 3350  
Tampa, Florida 33601-3350

John Roger Howe, Esq.  
Office of Public Counsel  
111 West Madison Street  
Room 812  
Tallahassee, FL 32399

Lee L. Willis, Esq.  
James D. Beasley, Esq.  
Macfarlane Ausley Ferguson  
& McMullen  
P. O. Box 391  
Tallahassee, FL 32302

James A. McGee, Esq.  
Florida Power Corporation  
P. O. Box 14042  
St. Petersburg, FL 33733

Prentice P. Pruitt, Esq.\*\*  
Legal Services  
FPSC  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Richard J. Salem, Esquire  
Marian B. Rush, Esquire  
Salem, Saxon & Nielsen  
101 East Kennedy Blvd.  
Suite 3200  
One Barnett Plaza  
Post Office Box 3399  
Tampa, Florida 33601

Stephen R. Yurek, Esquire  
Dahlen, Berg & Co.  
2150 Dain Bosworth Plaza  
60 South Sixth Street #2150  
Minneapolis, MN 55402

  
Matthew M. Childs, P.A.