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Steel Hector & Davis

Tallahassee, Florida

Matthew M. Childs, P.A.
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February 8, 1996

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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. 960001-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.

MMC/ml

cc: All Parties of Record

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Investigation Of Fuel) DOCKET NO. 960001-EI
Cost Recovery Clauses Of)
Electric Companies) FILED: FEBRUARY 8, 1996

FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-96-0061-PCO-EI, issued January 12, 1996, 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
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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
B.T. BIRKETT	Company Specific Issues	9
P. SILVA	GPIF, True-Up and Projections	10,11,12
B. T. BIRKETT	Oil Backout Final True-Up	13
B. T. BIRKETT	Capacity Cost Recovery, True-Up and Projections	14,15,16, 17,18

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(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/A Schedules April 1995 - September 1995
(RS-1)	R. SILVA	Appendix I/Fuel Cost Recovery Forecast Assumptions
(BTB-4)	B. T. BIRKETT	Appendix II/Fuel Cost Recovery E-Schedules
(BTB-5)	B. T. BIRKETT	Appendix III/Fuel Cost Recovery A Schedules
(BTB-6)	B. T. BIRKETT	Appendix IV/Capacity Cost Recovery Calculation of Factors
(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 April 1, 1995 through September 30, 1995?

FPL: \$33,181,566 underrecovery. (BIRKETT)

2. What is the estimated/actual fuel true-up amount for the period October 1, 1995 through March 31, 1996 based upon three months actual and three months revised estimates?

FPL: \$64,536,189 underrecovery. (BIRKETT)

3. What is the total fuel true-up to be refunded during the period April 1, 1996 through September 30, 1996?

FPL: \$97,717,755 underrecovery. (BIRKETT)

4. What is the appropriate levelized fuel adjustment factor for the period April 1, 1996 through September 30, 1996?

FPL: 2.071 cents/kwh is the levelized recovery charge. (BIRKETT)

5. What should be the effective date of the new fuel adjustment 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 April 1, 1996 (Cycle Day 3) and continue through September 30, 1996 (Cycle Day 2). Billing cycles may start before April 1, 1996, and the last cycle may be read after September 30, 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	2.071	1.00197	2.075
A-1	SL-1,OL-1	2.002	1.00197	2.006
B	GSD-1	2.071	1.00196	2.075
C	GSLD-1 & CS-1	2.071	1.00171	2.074

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
D	GSLD-2, CS-2, OS-2 & MET	2.071	0.99678	2.064
E	GSLD-3 & CS-3	2.071	0.96190	1.992
A	RST-1, GST-1			
	ON-PEAK	2.322	1.00197	2.327
	OFF-PEAK	1.941	1.00197	1.945
B	GSDT-1			
	CILC-1 (G)			
	ON-PEAK	2.322	1.00196	2.327
	OFF-PEAK	1.941	1.00196	1.945
C	GSLDT-1 & CST-1			
	ON-PEAK	2.322	1.00171	2.326
	OFF-PEAK	1.941	1.00171	1.944
D	GSLDT-2 & CST-2			
	ON-PEAK	2.322	0.99678	2.315
	OFF-PEAK	1.941	0.99678	1.935
E	GSLDT-3, CST-3			
	CILC-1 (T) & ISST-1 (T)			
	ON-PEAK	2.322	0.96190	2.234
	OFF-PEAK	1.941	0.96190	1.867
F	CILC-1 (D) & ISST-1 (D)			
	ON-PEAK	2.322	0.99827	2.318
	OFF-PEAK	1.941	0.99827	1.938
				(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 April 1996 through September 1996?

FPL: 1.01609. (BIRKETT)

COMPANY SPECIFIC FUEL ISSUES

9. Should Florida Power & Light Company recover replacement energy costs incurred as a result of outages at Plant St. Lucie and

Plant Turkey Point during the period September 1994 through September 1995?

FPL: Yes. Replacement energy costs during the period April 1994 through September 1995 were prudently incurred and are appropriate for recovery through the Fuel Cost Recovery Clause. FPL has no objection to deferring this issue to the August 1996 Fuel Hearing. (BIRKETT)

GPIF ISSUES

10. What should the GPIF Rewards/Penalties be for the period of April 1, 1995 through September 30, 1995?

FPL: \$2,159,086 reward. (SILVA)

11. What should the GPIF targets/ranges be for the period of April 1, 1996 through September 30, 1996?

FPL:

PLANT/UNIT	EAF TARGET (%)	HEAT RATE TARGET
CAPE CANAVERAL 1	84.6	9342
CAPE CANAVERAL 2	92.2	9331
LAUDERDALE 4	96.0	7308
LAUDERDALE 5	96.0	7375
FORT MYERS 2	94.5	9330
MANATEE 2	90.8	9459
MARTIN 3	93.5	6946
MARTIN 4	74.6	6942
PORT EVERGLADES 3	70.1	9465
PORT EVERGLADES 4	92.3	9449
PUTNAM 1	95.5	8658
PUTNAM 2	96.0	8379
TURKEY POINT 1	95.8	9088
TURKEY POINT 2	94.3	9107
TURKEY POINT 3	93.6	11140
TURKEY POINT 4	82.4	11196
ST. LUCIE 1	53.1	10937
ST. LUCIE 2	84.2	10996
SCHERER 4	84.1	<u>9988</u>
GPIF SYSTEM WEIGHTED AVERAGE HR		9391 (SILVA)

12. Should the adjustment made by Florida Power & Light Company to the equivalent availability factors for St. Lucie Units 1 and 2, for externally caused events occurring at those units, be included in the GPIF reward calculation?

FPL: Yes. Due to Hurricane Erin, adjustments were made to the equivalent availability factors for St. Lucie Units 1 and 2. FPL believes these adjustments are appropriate. (SILVA)

OIL BACKOUT ISSUES

13. What is the final Oil Backout True-Up amount for the period April, 1995 through September, 1995?

FPL: \$33,729 overrecovery. (BIRKETT)

CAPACITY COST RECOVERY ISSUES

14. What is the final capacity true-up amount for the period April 1, 1995 through September 30, 1995?

FPL: \$23,587,130 overrecovery. (BIRKETT)

15. What is the estimated/actual capacity true-up amount for the period October 1, 1995 through March 31, 1996, which are based upon two months actual and four months revised estimates?

FPL: \$38,959,291 overrecovery. (BIRKETT)

16. What is the total capacity true-up amount to be collected during the period April 1, 1996 through September 30, 1996?

FPL: \$62,546,424 overrecovery. (BIRKETT)

17. What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April 1996 through September 1996?

FPL: \$160,561,638 (BIRKETT)

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

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR (\$/KW)	CAPACITY RECOVERY FACTOR (\$/KWH)
RS1	-	0.00442
GS1	-	0.00434
GSD1	1.62	-
OS2	-	0.00302
GSLD1/CS1	1.65	-
GSLD2/CS2	1.65	-
GSLD3/CS3	1.58	-
CILCD/CILCG	1.64	-
CILCT	1.58	-
MET	1.71	-
OL1/SL1	-	0.00123
SL2	-	0.00292

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.21	.10
SST1T	.20	.09
SST1D	.21	.10 (BIRKET TM)

F. STIPULATED ISSUES

None at this time.

G. MOTIONS

FPL is aware of no outstanding Motions at this time.

Respectfully submitted,

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 Attorneys for Florida Power
 & Light Company

BY: 
 Matthew M. Childs, P.A.

CERTIFICATE OF SERVICE
DOCKET NO. 960001-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 8th day of February, 1996, to the following:

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