

STEEL ■  
HECTOR  
■ DAVIS

Steel Hector & Davis  
215 South Monroe, Suite 601  
Tallahassee, Florida 32301-1804  
904.222.2300  
904.222.8410 Fax

FILE COPY

Matthew M. Childs, P.A.

August 7, 1996

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 Issues and Positions in the above referenced docket.

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

Very truly yours,

*Matthew M. Childs*  
Matthew M. Childs, P.A.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

MMC/ml

cc: All Parties of Record

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG 5-Bases
- LEG 1
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

08282 AUG-7 96

FPSC-RECORDS & REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 960001-EI  
FILED: AUGUST 7, 1996

FLORIDA POWER & LIGHT COMPANY'S  
LIST OF ISSUES AND POSITIONS

FUEL ADJUSTMENT ISSUES

1. What is the final fuel true-up amount for the period October 1, 1995 through March 31, 1996?

**FPL:** \$17,157,052 underrecovery

2. What is the estimated/actual fuel true-up amount for the period April 1, 1996 through September 30, 1996 based upon three months actual and three months revised estimates?

**FPL:** \$88,480,000 underrecovery.

3. What is the total fuel true-up to be collected during the period October 1, 1996 through March 31, 1997?

**FPL:** \$105,637,052 underrecovery.

4. What should be the effective date of the new factors for fuel adjustment and capacity cost recovery?

**FPL:** The new Fuel Cost Recovery Factors should become effective with customer billing on cycle day 3 of October 1996 and continue through customer billings on cycle day 2 of March 1997 and the new Capacity Cost Recovery Factors should become effective with customer billings on cycle day 3 of October 1996 and continue through cycle day 2 of September 1997. This will provide 6 months of billing on the Fuel Cost Recovery Factors and 12 months on the Capacity Cost Recovery Factors for all customers.

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

**FPL:** 2.037 cents/kwh is the levelized recovery charge.

6. 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	2.037	1.00201	2.041
A-1	SL-1,OL-1	2.014	1.00201	2.018
B	GSD-1	2.037	1.00200	2.041
C	GSLD-1 & CS-1	2.037	1.00173	2.041
D	GSLD-2,CS-2, OS-2 & MET	2.037	0.99640	2.030
E	GSLD-3 & CS-3	2.037	0.96159	1.959
A	RST-1,GST-1 ON-PEAK OFF-PEAK	2.174 1.984	1.00201 1.00201	2.178 1.988
B	GSDT-1 ON-PEAK CILC-1(G) OFF-PEAK	2.174 1.984	1.00200 1.00200	2.178 1.988
C	GSLDT-1 & ON-PEAK CST-1 OFF-PEAK	2.174 1.984	1.00173 1.00173	2.177 1.987
D	GSLDT-2 & ON-PEAK CST-2 OFF-PEAK	2.174 1.984	0.99640 0.99640	2.166 1.977
E	GSLDT-3,CST-3 ON-PEAK CILC-1(T)&ISST-1(T) OFF-PEAK	2.174 1.984	0.96159 0.96159	2.090 1.908
F	CILC-1(D)& ON-PEAK ISST-1(D) OFF-PEAK	2.174 1.984	0.99814 0.99814	2.170 1.980

7. Should FPL be allowed to recover the cost associated with the thermal power uprate of Turkey Point Units 3 and 4 through the Fuel Cost Recovery Clause?

**FPL:** Yes. The uprate of each nuclear unit, from 2200 megawatts thermal to 2300 megawatts thermal, will increase the capacity of each nuclear unit by approximately 31 megawatts electric. The units are projected to increase power by January 1997. The cost of the thermal uprate for both units is estimated to be \$10 million. The Company has estimated that this uprating will yield fuel savings on a net present value basis in excess of \$88 million. From January 1997 through December 1998, the fuel savings are projected to exceed the cost of the project, therefore, FPL is requesting that it recover the depreciation and return on investment in this thermal power uprate project over this two year period. The Commission in Docket No. 850001-EI-B, Order No. 14546 issued on July 8, 1985 stated regarding the charges appropriately included in the calculation of fuel "Fossil fuel-related costs normally recovered through base rates but which were not recognized or anticipated in the cost levels used to determine current base rates and, which, if expended, will result in fuel savings to customers. Recovery of such costs should be made on a case by case basis after Commission approval". This expenditure will result in significant fuel savings for FPL's customers and appears to be the type of a cost which the Commission contemplated being recovered through the clause.

8. Should Florida Power and Light 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? (deferred from February 1996)

**FPL:** Yes. FPL's actions regarding the outages were reasonable and prudent and, therefore, FPL should recover all replacement energy costs.

9. Should an electric utility be permitted to include, for retail fuel cost recovery purposes, fuel costs of generation at any of its units which exceed, on a cents-per-kilowatt-hour basis, the average fuel cost of total generation (wholesale plus retail) out of those same units? (deferred from February 1996)

**FPL:** No position at this time.

**CAPACITY COST RECOVERY ISSUES**

1. What is the final capacity true-up amount for the period October 1, 1995 through March 31, 1996?

**FPL:** \$28,927,083 overrecovery.

2. What is the estimated/actual capacity true-up amount for the period April 1, 1996 through September 30, 1996, based upon two months actual and four months revised estimates?

**FPL:** \$13,378,068 overrecovery.

3. What is the total capacity true-up amount to be collected during the period October 1, 1996 through September 30, 1997?

**FPL:** \$42,305,151 overrecovery.

4. 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	-	0.00621
GS1	-	0.00562
GSD1	2.14	-
OS2	-	0.00407
GSLD1/CS1	2.15	-
GSLD2/CS2	2.19	-
GSLD3/CS3	2.15	-
CILCD/CILCG	2.21	-
CILCT	2.20	-
MET	2.31	-
OL1/SL1	-	0.00102
SL2	-	0.00395

<b>RATE CLASS</b>	<b>CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)</b>	<b>CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)</b>
ISST1D	.28	.13
SST1T	.27	.13
SST1D	.28	.13

5. Should FPL be allowed to change the Capacity Cost Recovery Clause from a semi-annual filing to an annual filing?

**FPL:** Yes. Experience has shown that the capacity costs now are sufficiently predictable and, therefore an annual filing is appropriate. In addition, filing on an annual basis will greatly reduce the amount of paperwork produced, filed and processed by FPL, the Commission, and other parties.

**GPIF ISSUES**

1. What should the GPIF Rewards/Penalties be for the period of October 1, 1995 through March 31, 1996?

**FPL:** \$1,947,105 reward.

2. What should the GPIF targets/ranges be for the period of October 1, 1996 through September 30, 1997?

**FPL:**

PLANT/UNIT	EAF TARGET(%)	HEAT RATE TARGET
CAPE CANAVERAL 1	93.5	9428
CAPE CANAVERAL 2	92.7	9479
LAUDERDALE 4	93.4	7277
LAUDERDALE 5	91.8	7270
FORT MYERS 2	76.1	9343
MARTIN 3	94.5	6922
MARTIN 4	86.6	6902
PORT EVERGLADES 3	94.9	9462
PORT EVERGLADES 4	78.1	9539
PUTNAM 1	87.3	8705
PUTNAM 2	88.0	8489
TURKEY POINT 3	82.1	11024
TURKEY POINT 4	89.4	11066
ST. LUCIE 1	75.0	10912
ST. LUCIE 2	81.5	10935
SCHERER 4	86.6	<u>9994</u>
<b>GPIF SYSTEM WEIGHTED AVERAGE HR</b>		<b>9762</b>

3. Should FPL be allowed to change the Generating Performance Incentive Factor from a semi-annual filing to an annual filing and as proposed in its testimony?

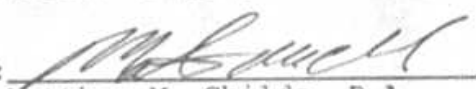
**FPL:** Yes. Filing on an annual basis will greatly reduce the amount of paperwork produced, filed and processed by FPL, the Commission, and other parties.

**WITNESSES AND SUBJECT MATTER**

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
R. MORELY	FPL	Levelized Fuel Cost Recovery, and Capacity Cost Recovery Final True-Up October 1995 through March 1996	Appendices I-II
R. SILVA	FPL	GPIF (True-Up) October 1995 through March 1996	Document 1
R. SILVA C. VILLARD R. MORELY R.L.WADE	FPL FPL FPL FPL	Levelized Fuel Cost Recovery, and Capacity Cost Recovery, Recovery Factors for October 1996 through September 1997	Appendices I-II
R. MORELY	FPL	Capacity Cost Recovery, Recovery Factors for October 1996 through September 1997	Appendix III
R. SILVA	FPL	GPIF (Projections) October 1996 through September 1997	Document 1

Respectfully submitted,

STEEL HECTOR & DAVIS LLP  
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. 960001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's List of Issues and Positions has been furnished by Hand Delivery,\*\* or U.S. Mail this 7th day of August, 1996, to the following:

Vicki D. Johnson, Esq.\*\*  
Division of Legal Services  
FPSC  
2540 Shumard Oak Blvd. Rm.370  
Tallahassee, FL 32399-0850

Joseph A. McGlothlin, Esq.  
Vicki Gordon Kaufman, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
117 South Gadsden Street  
Tallahassee, FL 32301

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

Norman Horton, Jr., Esq.  
Messer, Caparello,  
Madsen, Goldman & Metz  
P. O. Box 1876  
Tallahassee, FL 32302-1876

Suzanne Brownless, P.A.  
1311-B Paul Russell Road  
Suite 202  
Tallahassee, Florida 32301

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.  
Ausley & McMullen  
227 S. Calhoun Street  
P. O. Box 391  
Tallahassee, FL 32302

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

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

  
Matthew M. Childs, P.A.