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ORIGINAL
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Matthew M. Childs, P.A.

August 12, 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. 960007-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 _____

AFA _____

APP _____ MMC/ml

CME _____ Enclosures

cc: All Parties of Record

CTP _____

ESP _____

LES 1 _____

LPI 5 _____

CRS _____

RPT _____

SEL 1 _____

WTR _____

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)
Recovery Clause)

DOCKET NO. 960007-EI
FILED: AUGUST 12, 1996

FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-96-0816-PCO-EI, issued June 24, 1996, establishing the prehearing procedure in this docket, Florida Power & Light Company hereby submits its Prehearing Statement.

A. APPEARANCES

Matthew M. Childs, P.A.
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B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
R. MORLEY	ECRC Costs and Factors for October 1996 Through September 1997	1-10
W. M. REICHEL	New Environmental Compliance Activities, Status of Projects	1-10

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(RM-1)	R. MORLEY	Environmental Cost Recovery True-Up Period October 1995 - March 1996 Commission Forms 42-1A through 42-8A

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(RM-2)	R. MORLEY W.M. REICHEL	Appendix I/Environmental Cost Recovery Projections October 1996 - September 1997 Commission Forms 42-1P through 42-7P
(RM-3)	R. MORLEY W.M. REICHEL	Appendix II Environmental Cost Recovery Estimated/Actual Period April 1996 - September 1996 Commission Forms 42-1E through 42-8E

D. STATEMENT OF BASIC POSITION

None Necessary.

E. STATEMENT OF ISSUES AND POSITIONS

1. What is the appropriate final environmental cost recovery true-up amount for the period October, 1995 through March, 1996?

FPL: \$65,778 underrecovery for the period including interest. (MORLEY)

2. What is the estimated environmental cost recovery true-up amount for the period April, 1996 through September, 1996?

FPL: \$46,171 underrecovery for the period including interest. (MORLEY)

3. What is the total environmental cost recovery true-up amount to be collected during the period October, 1996 through September, 1997?

FPL: \$111,949 net underrecovery. (MORLEY)

4. What is the appropriate projected environmental cost recovery amount to be included in the recovery factors for the period October, 1996 through September, 1997?

FPL: The appropriate projected environmental cost recovery amount to be collected during the period is \$12,952,747. This amount consists of \$12,635,689 of projected environmental compliance cost for the period net of the prior period underrecovery and adjusted for taxes. (MORLEY)

5. What are the appropriate Environmental Cost Recovery Factors for the period October, 1996 through September, 1997 for each rate group?

FPL:	Rate Class	Environmental Recovery Factor (\$/KWH)
	RS1	0.00017
	GS1	0.00017
	GSD1	0.00015
	OS2	0.00015
	GSLD1/CS1	0.00016
	GSLD2/CS2	0.00015
	GSLD3/CS3	0.00015
	ISST1D	0.00013
	SST1T	0.00018
	SST1D	0.00013
	CILC D/CILC G	0.00015
	CILC T	0.00014
	MET	0.00016
	OL1/SL1	0.00011
	SL2	0.00015

(MORLEY)

6. What should be the effective date of the new environmental cost recovery factors for billing purposes?

FPL: The new Environmental 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 12 months of billing on the Environmental Cost Recovery Factors for all customers. (MORLEY)

7. What Depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected during the period October, 1996 through September, 1997?

FPL: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. (MORLEY)

COMPANY SPECIFIC ISSUES

8. Should the Commission approve FPL's proposal requesting that the Environmental Cost Recovery Clause filing be made on an annual basis instead of the current semi-annual basis?

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. In addition, the impact of the clause on our customers' rates will be leveled since seasonal fluctuations in sales will be avoided. (MORLEY)

9. Should the Commission approve FPL's request to recover the cost of the St. Lucie Plant Turtle Net through the Environmental Cost Recovery Clause?

FPL: Yes. The sea turtles have been designated as "endangered or threatened species" pursuant to the Endangered Species Act. Section 7 of the Endangered Species Act requires Federal Agencies to consult with either the Department of the Interior or the Department of Commerce to ensure that their activities are not likely to jeopardize the continued existence of any endangered or threatened species. The Nuclear Regulatory Commission as the permit-issuing federal agency overseeing operation of the St. Lucie Plant, consulted with the National Marine Fisheries Service (NMFS) of the Department of Commerce. The NMFS recommended that this new mesh barrier net be erected and maintained on a periodic basis to protect the sea turtles. (REICHEL)

10. Should the Commission approve FPL's request to recover the cost of the Disposal of Noncontainerized Liquid Waste through the Environmental Cost Recovery Clause?

FPL: Yes. FPL is required to dispose of their noncontainerized liquid waste in a manner which meets the Florida Administrative Code Section 62-701.300 (10), effective January 2, 1994. Liquid waste means any waste material that is determined to contain free liquids. The rule requires that noncontainerized liquid waste shall not be placed in solid waste disposal units, such as landfills. Ash generated during the production of electric power falls into this category. Accordingly, FPL's power plants need to dispose of their noncontainerized liquid waste in a manner which meets this requirement. (REICHEL)

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. 960007-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Prehearing Statement has been furnished by Hand Delivery (**) or U. S. Mail this 12th day of August, 1996, to the following:

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