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ORIGINAL
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Matthew M. Childs, P.A.

January 22, 1997

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. 970001-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.

ACK _____
AFA _____
APP _____
CAF _____ MMC/ml
CMU _____
CTR _____ cc: All Parties of Record
EAG Bas
LEG 1
LIN 3
OPC _____
RCH _____
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FPC RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 970001-EI
FILED: JANUARY 22, 1997

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 April 1, 1996 through September 30, 1996?

FPL: \$13,513,839 underrecovery.

2. What is the estimated/actual fuel true-up amount for the period October 1, 1996 through March 31, 1997 based upon three months actual and three months revised estimates?

FPL: \$63,591,152 underrecovery.

3. What is the total fuel true-up to be collected during the period April 1, 1997 through September 30, 1997?

FPL: \$77,104,991 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 and Capacity Cost Recovery Factors should become effective with customer billing on cycle day 3 of April 1997 and continue through customer billings on cycle day 2 of September 1997. This will provide 6 months of billing on the Fuel Cost Recovery and Capacity Cost Recovery Factors for all customers.

5. What is the appropriate levelized fuel adjustment factor for the period April 1, 1997 through September 30, 1997?

FPL: 2.192 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	2.192	1.00201	2.196
A-1	SL-1,OL-1	2.135	1.00201	2.139
B	GSD-1	2.192	1.00200	2.196
C	GSLD-1 & CS-1	2.192	1.00173	2.196
D	GSLD-2,CS-2, OS-2 & MET	2.192	0.99640	2.184
E	GSLD-3 & CS-3	2.192	0.96159	2.108
A	RST-1,GST-1 ON-PEAK OFF-PEAK	2.418 2.081	1.00201 1.00201	2.423 2.085
B	GSDT-1 ON-PEAK CILC-1 (G) OFF-PEAK	2.418 2.081	1.00200 1.00200	2.423 2.085
C	GSLDT-1 & ON-PEAK CST-1 OFF-PEAK	2.418 2.081	1.00173 1.00173	2.422 2.084
D	GSLDT-2 & ON-PEAK CST-2 OFF-PEAK	2.418 2.081	0.99640 0.99640	2.409 2.073
E	GSLDT-3,CST-3 ON-PEAK CILC-1 (T)&ISST-1 (T) OFF-PEAK	2.418 2.081	0.96159 0.96159	2.325 2.001
F	CILC-1 (D)& ON-PEAK ISST-1 (D) OFF-PEAK	2.418 2.081	0.99814 0.99814	2.413 2.077

7. Should FPL be allowed to recover the cost of implementing the proposed equipment modifications at its generating and storage facilities to enable them to use low gravity fuel oil?

FPL: Yes. These modifications will enable FPL to operate these plants using a heavier more economic grade of residual fuel oil called "low gravity" fuel oil. This type of fuel contains more energy, or BTU's, per barrel than the standard residual fuel oil. These costs include a one-time expenditure of approximately \$2,087,000 for new equipment and related modifications. From January 1997 through 1999 fuel savings are projected to be approximately \$19.94 million. From April through September 1997 the fuel savings are projected to be approximately \$2.87 million. FPL's proposal is consistent with the approval by the Commission in Order No. PSC-95-0450-FOF-EI, Docket No. 950001-EI, issued on April 6, 1995. For these reasons, FPL believes that it is appropriate to bring this issue forward for Commission consideration and approval.

8. Should FPL be allowed to recover the depreciation expense and return on investment for 63 Scherer Plant rail cars?

FPL: Yes. As presented in FPL's testimony, ownership of the Scherer Plant rail cars is the least cost alternative. FPL's proposal is consistent with the approval by the Commission in Order No. 18136, Docket No. 870001-EI, for the SJRPP rail cars and Order No. PSC-95-1089-FOF-EI, Docket No. 950001-EI, for the previous purchase of 462 Scherer rail cars. The Commission stated that "When economically beneficial to a utility's ratepayers, the cost of purchasing or leasing rail cars is considered to be a fuel-related expense that should be recovered through the fuel clause". For these reasons, FPL believes that it is appropriate to bring this issue forward for Commission consideration and approval.

CAPACITY COST RECOVERY ISSUES

1. Should FPL's request for a midcourse correction to its currently authorized Capacity Cost Recovery Factors be approved?

FPL: Yes. FPL is requesting that the Commission approve a midcourse correction to decrease its currently authorized Capacity Cost Recovery Factors. FPL has experienced a \$28.8 million overrecovery due primarily to lower than expected capacity payments

to QF's during June 1996 through December 1996. FPL believes that this midcourse correction is appropriate due to its magnitude.

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

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR (\$/KW)	CAPACITY RECOVERY FACTOR (\$/KWH)
RS1	-	0.00503
GS1	-	0.00456
GSD1	1.74	-
OS2	-	0.00330
GSLD1/CS1	1.74	-
GSLD2/CS2	1.78	-
GSLD3/CS3	1.74	-
CILCD/CILCG	1.79	-
CILCT	1.79	-
MET	1.87	-
OL1/SL1	-	0.00083
SL2	-	0.00320

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.23	.11
SST1T	.21	.10
SST1D	.22	.11

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
R. MORELY	FPL	Levelized Fuel Cost Recovery, Final True-Up April 1996 through September 1996	Appendix I
R. SILVA	FPL	Levelized Fuel Cost	Appendices I-II

R. MORELY
R.L.WADE

FPL
FPL

Recovery, Recovery
Factors for
April 1997 through
September 1997

R. MORELY

FPL

Capacity Cost Recovery
Midcourse Correction,
Recovery Factors for
April 1997 through
September 1997

Appendix III

Respectfully submitted,

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Attorneys for Florida Power
& Light Company

BY:


Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE
DOCKET NO. 970001-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 22nd day of January, 1997, to the following:

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