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ORIGINAL

Matthew M Childs, P.A.

January 12, 1998

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

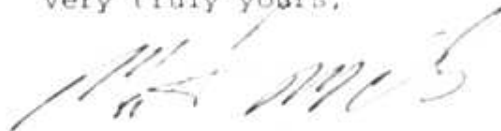
RE: **DOCKET NO. 980001-EI**

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) copies of Florida Power & Light Company's Petition For Approval Of Its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors in the above referenced docket.

Also enclosed please find the original and ten (10) copies of the Testimony and Exhibits of R. Silva, K.M. Dubin, and R.L. Wade.

Very truly yours,



Matthew M. Childs, P.A.

- ACK \_\_\_\_\_ MMC:ml
- AFA Vardine cc: All Parties of Record
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG 1
- LIN 3 orig test.
- OPR \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

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

DOCKET NO. ~~980001-SI~~  
FILED: JANUARY 12, 1998

**PETITION OF FLORIDA POWER & LIGHT COMPANY  
FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS  
AND CAPACITY COST RECOVERY FACTORS**

Florida Power & Light Company ("FPL"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, and Commission Directives of April 24 and April 30, 1980, together with Commission Rule 25-17.16, hereby petitions this Commission to approve 1.972 as its levelized fuel cost recovery charge for non-time differentiated rates and 2.099 cents per kWh and 1.912 cents per kWh as its levelized fuel recovery charges for the on-peak and off-peak periods respectively as its time differentiated rates for the April 1998 through December 1998 billing period, and to approve the capacity cost recovery factors submitted as Attachment I to this Petition for the April 1998 through December 1998 billing period. FPL also petitions to have its fuel and capacity cost recovery periods changed to the twelve calendar months in a year and to approve the transition to this calendar year recovery period commencing with calendar year 1999

all as set forth in greater detail in the prepared testimony of FPL witness Dubin. All charges are to become effective starting with meter readings scheduled to be read on or after Cycle Day 3, and to continue these charges in effect until modified by subsequent order of this Commission. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period April 1998 through December 1998, are contained in Commission Schedules E1 through E10 and Schedule H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive), which are attached as Appendix II to the prepared written testimony of FPL witness K.M. Dubin filed in Docket No. 980001-EI, and are incorporated herein by reference. The fuel costs and resulting fuel factors for the period April through December 1998 are presented in conjunction with FPL's petition for approval of an annual fuel cost recovery period commencing January 1, 1999 and a nine month transition period. FPL has also presented in its filing in this Docket the traditional six month calculation of fuel costs and resulting fuel factors which should be used should the Commission not approve the requested nine month factor.

2. The fuel factors developed and proposed by FPL for the period April 1998 through December 1998, reflect a final \$64,381,785 underrecovery for the April 1997 through September 1997 period and an estimated/actual \$71,127,379 underrecovery for the October 1997 through March 1998 period. In support of its request that the fuel and purchased power cost recovery period be changed to a twelve month period commencing January 1, 1999, FPL

incorporates the testimony of FPL witness Dubin. Specifically, however, the twelve month recovery period offers significant cost reduction benefits and, facilitates customer planning for cost of electricity by having the fuel cost estimates for a longer term than currently and on a calendar year basis.

3. FPL submits that the capacity cost recovery factors, which are based on reasonable and prudent costs, for the period April 1998 through December 1998 are included as Attachment I to this Petition. FPL is requesting that the Commission approve a midcourse correction to decrease its currently authorized capacity cost recovery factors. In Order No. PSC-97-1045-FOF-EI the Commission approved FPL's Capacity Cost Recovery Factors for the twelve month period of October 1997 through September 1998. FPL now anticipates a \$63.4 million overrecovery for that period. FPL's original projections included projected capacity payments to qualifying facilities (QF's) for the period June 1997 through September 1998. FPL has not made these capacity payments to the QF's. FPL has trued-up the capacity costs to date and removed the costs for certain QF's from the remainder of the projections. This midcourse correction results in revised capacity cost recovery factors beginning April 1998. FPL believes that this midcourse correction is appropriate due to its magnitude.

4. A residential bill for 1,000 kWh for the period April 1998 through December 1998, will be \$75.09. The 1,000 kWh residential bill includes a base rate charge of \$47.46, a fuel recovery charge of \$19.76, a conservation charge of \$2.11, a capacity cost recovery

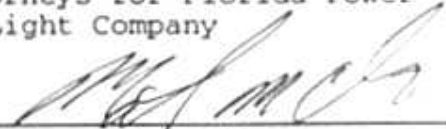
charge of \$4.69, an environmental cost recovery charge of \$.31, and Gross Receipt Tax of \$.76.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and purchased power cost recovery charges for the period April 1998 through December 1998, and the capacity cost recovery charges for the period April 1998 through December 1998 requested herein for its billing period effective starting with scheduled meter readings to be read on or after Cycle Day 3, and to continue these charges until modified by subsequent order of this Commission. FPL also petitions to have its fuel and capacity cost recovery periods changed to the twelve calendar months in a year and to approve the transition to this calendar year recovery period commencing with calendar year 1999 all as set forth in greater detail in the prepared testimony of FPL witness Dubin.

DATED this 12th day of January 1998.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP  
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Attorneys for Florida Power  
& Light Company

By:   
Matthew M. Childs, P.A.

**CERTIFICATE OF SERVICE  
DOCKET NO. 980001-EI**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Petition For Approval of its Fuel Cost Recovery Factors and Capacity Cost Recovery Factors has been furnished by Hand Delivery,\*\* or U.S. Mail this 12th day of January, 1998, to the following:

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Matthew M. Childs, P.A.

FLORIDA POWER & LIGHT COMPANY  
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR  
 APRIL 1998 THROUGH DECEMBER 1998\*

Rate Class	(1) Percentage of Sales at Generation (%)	(2) Percentage of Demand at Generation (%)	(3) Energy Related Cost (\$)	(4) Demand Related Cost (\$)	(5) Total Capacity Costs (\$)	(6) Projected Sales at Meter (kwh)	(7) Billing KW Load Factor (%)	(8) Projected Billed KW at Meter (kw)	(9) Capacity Recovery Factor (\$/kw)	(10) Capacity Recovery Factor (\$/kwh)
RS1	53.68189%	61.62901%	\$7,372,373	\$101,565,417	\$108,937,790	23,251,884,304	-	-	-	0.00469
GS1	6.18711%	6.11558%	\$849,703	\$10,078,557	\$10,928,260	2,679,896,539	-	-	-	0.00408
GSD1	22.61038%	19.04897%	\$3,105,184	\$31,392,957	\$34,498,141	9,793,569,926	48.29734%	23,129,031	1.49	-
OS2	0.02629%	0.01499%	\$3,611	\$24,704	\$28,315	11,977,370	-	-	-	0.00242
GSLD1/CS1	9.21492%	7.45877%	\$1,265,526	\$12,292,152	\$13,557,678	3,062,708,003	61.84309%	8,872,792	1.53	-
GSLD2/CS2	1.64444%	1.23479%	\$225,838	\$2,034,950	\$2,260,788	715,642,159	66.57248%	1,472,578	1.54	-
GSLD3/CS3	0.74294%	0.56302%	\$102,031	\$927,864	\$1,029,895	3,17,120,913	66.94134%	689,872	1.49	-
ISST1D	0.00080%	0.00034%	\$110	\$560	\$670	347,369	64.14112%	742	**	-
SST1T	0.10972%	0.16804%	\$15,068	\$276,932	\$292,000	49,788,361	10.90609%	625,369	**	-
SST1D	0.06958%	0.03710%	\$9,556	\$61,141	\$70,697	30,646,434	79.74097%	52,647	**	-
CILC D/CILC G	3.52792%	2.58131%	\$484,505	\$4,254,033	\$4,738,538	1,534,112,784	69.22581%	3,035,753	1.56	-
CILC T	1.41722%	0.92303%	\$194,633	\$1,521,166	\$1,715,799	643,067,300	75.46840%	1,167,299	1.47	-
MET	0.10489%	0.09756%	\$14,405	\$160,780	\$175,185	46,583,171	59.65019%	106,978	1.64	-
OL1/SL1	0.56825%	0.06491%	\$78,040	\$106,973	\$185,013	246,134,116	-	-	-	0.00075
SL2	0.09365%	0.06259%	\$12,861	\$103,149	\$116,010	40,565,231	-	-	-	0.00286
<b>TOTAL</b>			\$13,733,444	\$164,801,335	\$178,534,779	43,373,764,000		39,153,061		

\* CPRC factors are extended through December 1998 as a transition to calendar year factors.

Note: There are currently no customers taking service on Schedule ISST1(T). Should any customer begin taking service on this schedule during the period, they will be billed using the ISST(D) Factor.

- (1) Obtained from Document No. 2
- (2) Obtained from Document No. 2
- (3) (Total Capacity Costs/13) \* Col (1)
- (4) (Total Capacity Costs/13 \* 12) \* Col (2)
- (5) Col (3) \* Col (4)
- (6) Projected kwh sales for the period April 1998 through September 1998
- (7) (kWh sales / 8760 hours) / ((avg customer NCP) / (8760 hours))
- (8) Col (6) / ((7) \* 730) For GSD-1, only 83.265% of KW are billed due to 10 KW exemption
- (9) Col (5) / (8)
- (10) Col (5) / (6)

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Reservation		
Demand =	$\frac{(\text{Total col 5}) / (\text{Doc 2, Total col 7}) / (10) / (\text{Doc 2, col 4})}{6 \text{ months}}$	
Charge (RDC)		
Sum of Daily		
Demand =	$\frac{(\text{Total col 5}) / (\text{Doc 2, Total col 7}) / (21 \text{ onpeak days}) / (\text{Doc 2, col 4})}{6 \text{ months}}$	
Charge (SDD)		
<b>CAPACITY RECOVERY FACTOR</b>		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1 (D)	\$0.20	\$0.10
SST1 (T)	\$0.19	\$0.09
SST1 (D)	\$0.20	\$0.09