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Matthew M. Childs, P.A.

October 25, 1999

Blanca S. Rayó, Director
 Division of Records and Reporting
 Florida Public Service Commission
 4075 Esplanade Way, Room 110
 Tallahassee, FL 32399 2850

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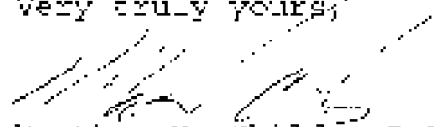
RE: DOCKET NO. 990001-EI

Dear Ms. Rayó:

Enclosed for filing please find the original and ten (10) copies of Florida Power & Light Company's Prehearing Statement in the above referenced docket.

Also enclosed is a formatted double sided high density 2.5 inch discette containing the Prehearing Statement for Florida Power & Light Company.

Very truly yours,



Matthew M. Childs, P.A.

XMC/ml

Enclosures

cc: All Parties of Record

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DOCUMENT ID: 99-0001-EI

13094 OCT 25 99

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power
cost recovery clauses and
generating performance incentive
factor

DOCKET NO. 990001-E1
FILED: OCTOBER 25, 1999

FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-99-0762-FCO-EI, issued April 20, 1999, establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

A. APPEARANCES

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Tallahassee, FL 32301

B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
R. SILVA R.L. WADE K.M. DUBIN	Fuel Adjustment, True-Up and Projections	1-6 1-8, 16A 1-8, 16A, 18C
R. SILVA	GPIP Reward, Targets/Ranges, Heat Rate Results	20A, 20B, 20C, 21
K.M. DUBIN	Capacity Cost Recovery True-Up and Projections	23-26

DOCUMENT IDENTIFICATION
13094 OCT 25 99
FPC-FILED TALLAHASSEE

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(RS-1)	R. SILVA	Appendix I/Fuel Cost Recovery Forecast Assumptions
(KCD-1)	K.M. DUBIN	Appendix II/Fuel Cost Recovery, True-Up Calculation- April through December 1998
(KMD-2)	K.M. DUBIN	Appendix II/Fuel Cost Recovery, R Schedules
(KMC-3)	K.M. DUBIN	Appendix III/Capacity Cost Recovery
(KMD-4)	K.M. DUBIN	Appendix III/Capacity Cost Recovery April-December 1998
(RS-2)	R. SILVA	GPIF, Performance Results October 1997 - September 1998
(RS-3)	R. SILVA	GPIF, Performance Results October 1998 - December 1998
(RS-4)	R. SILVA	GPIF, Targets and Ranges, January 2000- December 2000

D. STATEMENT OF BASIC POSITION

None necessary.

E. STATEMENT OF ISSUES AND POSITIONS

FUEL ADJUSTMENT ISSUES

1. What are the appropriate final fuel adjustment true-up amounts for the period April 1998 through December 1998?

FPL: \$33,531,098 overrecovery. (DUBIN)

2. What are the estimated/actual fuel true-up amounts for the period January through December, 1999 based upon eight months actual and four months revised estimates?

FPL: \$8,846,485 overrecovery. (DUBIN)

3. What are the total fuel adjustment true-up amounts to be collected/refunded during the period January, 2000 through December, 2000?

FPL: \$42,377,563 overrecovery. (DUBIN)

4. What are the appropriate levelized fuel cost recovery factors for the period January, 2000 through December, 2000?

FPL: 1.894 cents/kwh is the levelized recovery charge to be collected during the period January, 2000 through December, 2000. (DUBIN)

1a. What is the appropriate projected total jurisdictional fuel cost recovery amount to be included in the recovery factor for the period January 2000 through December 2000.

FPL: \$1,887,253,669, as shown in Appendix 11, page 3, Schedule E-1, line 10. (DUBIN)

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 the new Fuel Cost Recovery Factors should become effective with customer bills for January 2000 through December 2000. This will provide 12 months of billing on the Fuel Cost Recovery and Capacity Cost Recovery Factors for all customers. (DUBIN)

6. What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 7. (DUBIN)

7. What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

FPL:

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1, GS-1, SL-2	1.894	1.00225	1.899
A-1*	SL-1, OL-1, PL-1	1.857	1.00225	1.861
B	GSD-1	1.894	1.00216	1.898
C	GSLO-1 & CS-1	1.894	1.00087	1.896
D	GSLD-2, CS-2, OS-2 & MET	1.894	0.99510	1.885
E	GSLD-3 & CS-3	1.894	0.95792	1.815
A	RST-1, GST-1			
	ON-PEAK	2.069	1.00225	2.074
	OFF-PEAK	1.817	1.00225	1.821
B	GSDT-1, CILC-1 (G)			
	ON-PEAK	2.069	1.00216	2.073
	OFF-PEAK	1.817	1.00216	1.821
C	GSLDT-1 & CST-1			
	ON-PEAK	2.069	1.00087	2.071
	OFF-PEAK	1.817	1.00087	1.819
D	GSLDT-2 & CST-2			
	ON-PEAK	2.069	0.99510	2.059
	OFF-PEAK	1.817	0.99510	1.808
E	GSLDT-3, CST-3			
	CILC-1 (T) & ISST-1 (T)			
	ON-PEAK	2.069	0.95792	1.982
	OFF-PEAK	1.817	0.95792	1.741
F	CILC-1 (D) & ISST-1 (D)			
	ON-PEAK	2.069	0.99465	2.058
	OFF-PEAK	1.817	0.99465	1.807

*WEIGHTED AVERAGE 10% ON-PEAK AND 90% OFF-PEAK (CUBIN)

8. What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January, 2000 through December, 2000?

FPL: 1.01597 is the revenue tax factor to be applied for the projection period of January, 2000 through December, 2000. (DUBIN)

COMPANY SPECIFIC FUEL ISSUES

- 16A. Should FPL be allowed to recover, through the fuel clause, the "last core" of unburned nuclear fuel at the end of nuclear plant operations, amortized over the remaining operating lives of the nuclear units?

FPL: Yes. Amortization of the "last core", on a going forward basis, would appropriately match the total costs of fuel to the customers receiving service related to those costs. (DUBIN,WADE)

- 16C. Should FPL be allowed to recover, through the Fuel Clause, the \$5,065,558 Court-ordered payment to Cedar Bay for the resolution of a fuel pricing dispute?

FPL: Yes. The payment is for energy purchased by FPL from the Cedar Bay cogeneration facility over the last several years and it represents the difference between the amount FPL originally paid to Cedar Bay and the amount FPL would have paid based on the Court's interpretation of fuel pricing, including interest. (DUBIN)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

20A. What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1997 through September, 1998?

FPL: \$5,669,594 reward. (SILVA)

20C. What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1998 through December, 1998?

FPL: \$1,897,372 reward. (SILVA)

21. What should the GPIF Target/Ranges be for the period of January 2000 through December 2000?

FPL: The Targets and Ranges should be as set forth in the Testimony and Exhibits of R. Silva including the following:

PLANT/UNIT	EAF TARGET(%)	HEAT RATE HR. TARGET (BTU/Kwh)
CAPE CANAVERAL 1	92.4	9511
CAPE CANAVERAL 2	78.2	9690
LAUDERDALE 4	93.5	7349
LAUDERDALE 5	93.5	7358
FORT MYERS 2	92.7	9321
MANATEE 2	71.7	10162
MARTIN 3	94.2	6995
MARTIN 4	91.6	6996
PORT EVERGLADES 3	95.8	6748
PORT EVERGLADES 4	89.2	9664
PUTNAM 1	91.2	8937
SANFORD 4	92.3	10016
SANFORD 5	89.3	10290
TURKEY POINT 3	84.6	11066
TURKEY POINT 4	84.6	11092
ST. LUCIE 1	53.6	10854
ST. LUCIE 2	84.6	10872
SCHERER 4	94.2	9969

GPIF SYSTEM WEIGHTED AVERAGE NET OPERATING HR 9473 (SILVA)

CAPACITY COST RECOVERY ISSUES

23. What is the appropriate final capacity cost recovery true-up amount for the period October, 1997 through December, 1998.

FPL: In order to appropriately address all periods, FPL

will clarify its position before the prehearing.
(DUBIN)

24. What is the appropriate final capacity cost recovery true-up amount for the period April, 1998 through December 1998?

FPL: \$5,234,837 overrecovery. (DUBIN)

25. What is the estimated/actual capacity true-up amount for the period January, 1999 through December, 1999, which is based upon eight months actual costs and four months revised estimates?

FPL: \$79,064,052 overrecovery. (DUBIN)

26. What is the total capacity true-up amount to be collected/refunded during the period January, 2000 through December, 2000?

FPL: \$84,265,889 overrecovery. (DUBIN)

27. What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January, 2000 through December, 2000?

FPL: \$375,954,541. (DUBIN)

28. What are the appropriate Capacity Cost Recovery Factors for the period January, 2000 through December, 2000 for each rate group?

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR (\$/KW)	CAPACITY RECOVERY FACTOR (\$/KWH)
RS1	-	0.00477
GS1	-	0.00459
GSD1	1.78	
OS2	-	0.00216
GSLD1/CS1	1.78	-
GSLD2/CS2	1.76	-
GSLD3/CS3	1.87	-
CILCD/CILCC	1.83	-
CILCT	1.83	-
MET	1.94	-
GL1/SL1/FL1	-	0.00188
SL2	-	0.00322

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISS71D	.23	.11
SS11T	.22	.10
SS71D	.23	.11

(DUBIN)

30. Should FPL be allowed to recover through the Capacity Clause the \$15,427,896 Court-ordered payment to Cedar Bay for the resolution of a capacity pricing dispute?

FPL: Yes. The payment is for capacity purchased by FPL from the Cedar Bay cogeneration facility over the last several years and it represents the difference between the amount FPL originally paid to Cedar Bay and the amount FPL would have paid based on the Court's interpretation of capacity pricing, including interest. (DUBIN)

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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 & Light Company

BY: 
 Matthew M. Childer, P.A.

CERTIFICATE OF SERVICE
DOCKET NO. 990001-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 25th day of October, 1999, to the following:

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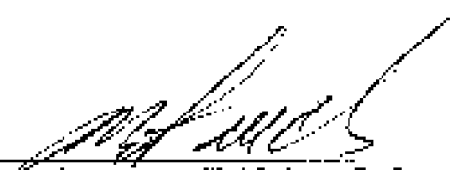
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