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September 21, 2000

By Hand Delivery

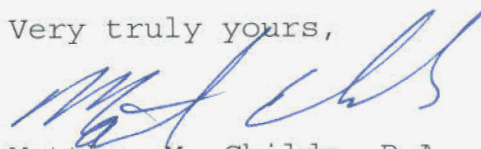
Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399-0850

RE: DOCKET NO. 000001-EI

Dear Ms. Bayó:

Enclosed for filing please find the original and 15 copies of Florida Power & Light Company's Petition for Approval of Its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors and GPIF Targets, along with Testimony and Exhibits of K.M. Dubin.

Very truly yours,



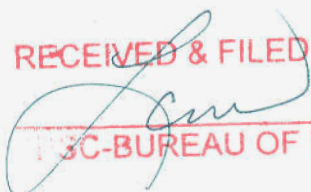
Matthew M. Childs, P.A.

MMC/ml
Enclosures

cc: All Parties of Record

- APP _____
- CAF _____
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DOCUMENT NUMBER-DATE

11906 SEP 21 8

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchase Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor)

DOCKET NO. 000001-EI
FILED: September 21, 2000

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

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, hereby petitions this Commission to approve 2.925 cents per kWh as its levelized fuel recovery charge for non-time differentiated rates and 3.213 cents per kWh and 2.798 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 January 2001 through December 2001 billing period, and to approve the capacity cost recovery factors submitted as Attachment I to this Petition for the January 2001 through December 2001 billing period. All charges are to become effective starting with meter readings scheduled to be read on or after Cycle Day 3, and will remain in effect until modified by subsequent order of this Commission. FPL also requests this Commission to approve the proposed Generation Performance Incentive Factor (GPIF) targets of 88.2% for weighted system equivalent availability and 9841 BTU/kWh for weighted system average net operating heat rate January 2001 through December 2001 and that the Commission also approve the proposals and requests set forth in this petition. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period January 2001 through December 2001, 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. 000001-EI, and are incorporated herein by reference.

2. On August 23, 2000, FPL filed its Estimated/Actual True-up, an underrecovery of \$518,005,376, for the period January 2000 through December 2000. In order to mitigate the impact of this large underrecovery on customer bills, FPL is proposing and requests authorization to spread this estimated/actual true-up underrecovery of \$518,005,376 over a two-year period commencing January 2001. The fuel factors developed and proposed by FPL for the period January 2001 through December 2001 therefore reflect half of this estimated/actual underrecovery (\$259,002,688) for the January 2000 through December 2000 period. The remainder of the estimated/actual true-up underrecovery will be included for recovery in the fuel factor for the January 2002 through December 2002 period. FPL proposes and requests authorization to treat the unrecovered portion of the \$518,005,376 as a base rate regulatory asset in 2001 and 2002, rather than recover interest at the commercial paper rate of return through the fuel clause.

3. The fuel factors developed and proposed by FPL for the period January 2001 through December 2001 also reflect a GPIF reward of \$6,973,751 for the period ending December 1999 which is being applied to the January through December 2001 time period.

4. FPL's petition in Docket No. 000982-EI for approval of the Okeelanta/Osceola Settlement and recovery of the cost of the Settlement through the Fuel and Capacity Cost Recovery Clauses is pending approval (scheduled to go before the Commission on

September 26, 2000). If approved, FPL will include the cost associated with the Okeelanta/Osceola settlement agreement in its future Fuel and Capacity Cost Recovery calculations. The total amount of the settlement payment expected to be made in November 2000 is \$222.5 million. In order to mitigate the impact on customers' bills in 2001, FPL proposes to reflect the payment as a base rate regulatory asset, delay recovery for one year, and recover the settlement payment over a five-year period starting January 1, 2002. From the date of payment through December 2001, FPL proposes to treat the payment as a base rate asset. Commencing 2002, FPL is proposing to move the settlement amount to the clauses as a regulatory asset and recover interest at only the commercial paper rate rather than the overall rate of return.

5. When the Okeelanta/Osceola Settlement is included in the clauses in 2002, FPL proposes that 21 percent of the settlement payments should be recovered through the Fuel Cost Recovery Clause and 79 percent should be recovered through the Capacity Cost Recovery Clause. The proposed ratio for recovery is the same ratio in which payments under these contracts would have been recovered through the Fuel and Capacity Cost Recovery Clauses.

6. FPL proposes a threshold to measure the incentive for gains on off system sales for the forecast year 2001 of \$47,377,541. This three year average threshold includes actual gains for 1998, 1999 and January through July 2000, and estimates for August through December 2000. Gains on sales in 2001 are to be measured against this three year average threshold, after it has been adjusted with the true up filing in April 2001 to include all actual data for the year 2000. FPL believes this approach is appropriate.

7. As described in the testimony of R.L. Wade, FPL will be incurring costs beginning in 2001 necessary for the St. Lucie Spent Fuel Storage Project. FPL is not requesting recovery through the Fuel Cost Recovery Clause at this time. However, FPL requests authorization to request recovery of appropriate costs associated with this project at some future date and include costs incurred in 2001, once FPL makes a decision on which alternative or alternatives to use.

8. FPL submits that the capacity cost recovery factors for the period January 2001 through December 2001 are based on reasonable and prudent costs, and are included as Attachment 1 to this Petition. FPL is requesting that the Commission approve total recoverable capacity payments in the amount of \$427,597,309. This amount reflects a final overrecovery of \$16,458,284 for January 1999 through December 1999 period plus the estimated/actual overrecovery of \$42,411,275 for the January 2000 through December 2000 period.

9. The GPIF targets for the period January 2001 through December 2001 are calculated in accordance with the methodology which is contained in the Generating Performance Incentive Factor Implementation Manual adopted by Order No. 10168 in Docket No. 810001-EU and as revised by Order No. 10912 entered in Docket No. 820001-EU on June 22, 1982.

10. A residential bill for 1,000 kWh for the period January 2001 through December 2001, will be \$80.55. The 1,000 kWh residential bill includes a base rate charge of \$43.26, a fuel recovery charge of \$29.31, a conservation charge of \$1.81, a capacity cost recovery charge of \$5.27, an environmental cost recovery charge of \$.08, and Gross Receipt Tax of \$.82.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and capacity cost recovery charges for the period January 2001 through December 2001, and the GPIF targets for the period January 2001 through December 2001 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 requests the Commission to approve \$6,973,751 as FPL's GPIF reward for the period ending December 1999 and to include this amount in the calculation of the fuel factor for the period beginning January 2001.

Finally, FPL requests approval of all of the proposals and requests set forth in this petition.

DATED this 21, of September, 2000.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 South Monroe Street
Suite 601
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Attorneys for Florida Power &
Light Company

BY: 

Matthew M. Childs, P.A.

FLORIDA POWER & LIGHT COMPANY
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR
 JANUARY 2001 THROUGH DECEMBER 2001

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	52.26875%	57.81805%	\$17,192,291	\$228,210,855	\$245,403,146	46,584,740,836	-	-	-	0.00527
GS1	6.23446%	8.40333%	\$2,050,846	\$25,274,273	\$27,324,919	5,556,490,815	-	-	-	0.00492
GSD1	22.91563%	20.78666%	\$7,537,431	\$82,046,033	\$89,583,464	20,425,150,139	48.31379%	48,220,730	1.86	-
OS2	0.02483%	0.01546%	\$8,168	\$61,025	\$69,193	22,673,975	-	-	-	0.00305
GSLD1/CS1	10.29719%	8.95334%	\$3,386,963	\$35,339,307	\$38,726,270	9,186,530,250	60.70946%	20,733,223	1.87	-
GSLD2/CS2	1.82375%	1.27363%	\$534,084	\$5,027,099	\$5,561,183	1,455,457,328	66.67060%	2,990,489	1.86	-
GSLD3/CS3	0.81943%	0.51229%	\$203,745	\$2,022,017	\$2,225,762	577,416,952	70.46120%	1,122,578	1.98	-
ISST1D	0.00175%	0.00110%	\$577	\$4,359	\$4,936	1,563,467	48.88171%	4,381	**	-
SST1T	0.13434%	0.09102%	\$44,188	\$359,280	\$403,468	125,229,745	14.85394%	1,154,896	**	-
SST1D	0.06987%	0.06167%	\$22,914	\$243,416	\$266,330	63,283,319	58.84290%	147,324	**	-
CILC D/CILC G	3.69244%	2.78370%	\$1,214,521	\$10,987,391	\$12,201,912	3,314,351,908	72.99805%	8,219,628	1.96	-
CILC T	1.35837%	0.95061%	\$448,798	\$3,752,109	\$4,198,907	1,266,234,284	80.44746%	2,158,150	1.95	-
MET	0.09139%	0.08515%	\$30,061	\$338,098	\$366,159	83,450,175	60.02638%	190,442	1.92	-
OL1/SL1/PL1	0.57461%	0.20016%	\$189,002	\$780,056	\$979,058	512,125,910	-	-	-	0.00191
SL2	0.09337%	0.06382%	\$30,712	\$251,891	\$282,603	83,218,897	-	-	-	0.00340
TOTAL			\$32,892,101	\$394,705,208	\$427,597,309	89,259,918,000		82,939,842		

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 Page 2, Col(8)
- (2) Obtained from Page 2, Col(9)
- (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 January 2001 through December 2001
- (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)

Totals may not add due to rounding.

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Reservation		
Demand =	((Total col 5)/(Doc 2, Total col 7) / .10) (Doc 2, col 4)	
Charge (RDC)	12 months	
Sum of Daily		
Demand =	((Total col 5)/(Doc 2, Total col 7) / 21 onpeak days) (Doc 2, col 4)	
Charge (SDD)	12 months	
CAPACITY RECOVERY FACTOR		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1 (D)	\$0.24	\$0.11
SST1 (T)	\$0.23	\$0.11
SST1 (D)	\$0.23	\$0.11

ATTACHMENT I

CERTIFICATE OF SERVICE
DOCKET NO. 000001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition for Approval of Its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors and GPIF Targets, along with Testimony and Exhibits of K.M. Dubin have been furnished by Hand Delivery (*), or U.S. Mail this 21st day of September, 2000, to the following:

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By: 

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