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STEEL HECTOR DAVIS INTERNATIONAL

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October 18, 2002

-VIA FEDERAL EXPRESS-

Blanca S. Bayó Director, Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

> Docket No. 020007-EI Re:

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Preliminary List of Issues and Positions, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the documents appear is Word 2000.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

AUS CAF COMP CTR ECR GCL OPC MMS SEC OTH	Contraction of the Contraction o		Enclosure cc: Counsel for Parties of Record (w/enc				John T. Butler, P.A.				DISTRIBUTION	
		•					DOCUMEN		185R-DATE		CEN	AM 99 75
		Miami	West Palm Beach	Tallahassee	Naples	Key West	London 4	08 Caracas	OCT 21 8 São Paulo	Rio de Janeiro	Santo	Domingo

FPSC-COMMISSION CLERK

Very truly yours,

Rio de Janeiro Santo Domingo

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)	DOCKET NO. 020007-EI
Recovery Clause)	DATED: OCTOBER 18, 2002

FLORIDA POWER & LIGHT COMPANY'S PRELIMINARY LIST OF ISSUES AND POSITIONS

- 1. What are the appropriate final environmental cost recovery true-up amounts for the period January, 2001 through December, 2001?
 - **FPL:** \$0 pursuant to the 1999 Stipulation and Settlement Agreement approved by Commission Order No. PSC-99-0519-AS-EI. (DUBIN)
- 2. What are the estimated environmental cost recovery true-up amounts for the period January 2002 through December 2002?
 - FPL: \$7,799,426 underrecovery. Pursuant to Commission Order No. PSC-01-2463-FOF-EI, this true-up amount represents actual costs for the period April 15, 2002 through June 2002 and revised estimates for the period July 2002 through December 2002, excluding interest. (DUBIN)
- 3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2003 through December 2003?
 - **FPL:** \$7,799,426 underrecovery. (DUBIN)
- 4. What are the appropriate projected environmental cost recovery amounts for the period January 2003 through December 2003?
 - **FPL:** The total environmental cost recovery amount, adjusted for revenue taxes is \$19,149,944. This amount consists of \$11,049,501 of projected environmental cost for the period January through December 2003, net of the prior period underrecovery and taxes. (DUBIN)
- 5. 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 January 2003 through December 2003?
 - **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 as approved by the FPSC. (DUBIN)

- 6. What are the appropriate jurisdictional separation factors for the projected period January 2003 through December 2003?
 - FPL: Energy Jurisdictional Factor 98.97818%

 CP Demand Jurisdictional Factor 99.01742%

 GCP Demand Jurisdictional Factor 100.00000% (DUBIN)
- 7. What are the appropriate environmental cost recovery factors for the period January 2003 through December 2003 for each rate group?

FPL:	Rate Class	Environmental Recovery
		Factor (\$/kWh)
	RS-1	0.00021
	GS-1	0.00020
	GSD1	0.00019
	OS2	0.00019
	GSLD1/CS1	0.00019
	GSLD2/CS2	0.00019
	GSLD3/CS3	0.00017
	ISST1D	0.00019
	SST1T	0.00018
	SST1D	0.00019
	CILC D/CILC G	0.00018
	CILC T	0.00017
	MET	0.00020
	OL1/SL1	0.00017
	SL2	0.00018
(DUB	IN)	

- 8. 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 bills for January 2003 through December 2003. This will provide 12 months of billing on the environmental cost recovery factors for all customers. (DUBIN)

COMPANY-SPECIFIC ISSUES

- 9. Should FPL be allowed to recover costs associated with the Pipeline Integrity Management Program (PIM) Project?
 - **FPL:** Yes. In compliance with the U.S. Department of Transportation Regulation 49 CFR Part 195, FPL is requesting recovery of costs associated with the PIM Project. The regulation requires operators with 500 or fewer miles of regulated pipelines to establish a program for

managing the integrity of pipelines that could affect high consequence areas if a leak or rupture occurs. The objective of this requirement is to improve the integrity of the pipeline systems in the U.S, in order to protect public safety, human health, and the environment. (LABAUVE, DUBIN)

- 10. Should FPL be allowed to recover costs associated with the Manatee Reburn NOx Control Technology Project?
 - **FPL:** Yes. Per Section 366.8255(1)(d)7, FPL has entered into an agreement with the Florida Department of Environmental Protection (FDEP) and is requesting recovery of costs associated with the installation of reburn technology at the Manatee Units 1 and 2 for the exclusive purpose of ensuring compliance with ozone ambient air quality standards in the Tampa Bay Airshed. (LABAUVE, DUBIN)
- 11. Should FPL be allowed to recover costs associated with the Spill Prevention, Control, and Countermeasures (SPCC) Project?
 - FPL: Yes. In compliance with Title 40 Code of Federal Regulation Part 112, FPL is requesting recovery of costs associated with the SPCC Project. The regulation requires certain facilities to prepare and implement SPCC Plans and address oil spill prevention requirements including the establishment of procedures, methods, equipment, and other requirements to prevent discharges of oil. (LABAUVE, DUBIN)

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
K. M. DUBIN	FPL	ECRC projections for January through December 2003	KMD-3
R.R. LABAUVE	FPL	PIM Project	RRL-2
DADATO V D		Manatee Reburn NOx Control Technology Project	RRL-3
		SPCC Project	

K. M. DUBIN FPL ECRC Estimated/Actual KMD-2 True-up for January through December 2002

R.R. FPL PIM Project RRL-1 LABAUVE

K. M. DUBIN FPL ECRC Final True-up KMD-1 for January through December 2001

Respectfully submitted,

R. Wade Litchfield, Esq.

Senior Attorney

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CERTIFICATE OF SERVICE Docket No. 020007-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Preliminary List of Issues and Positions has been furnished by Federal Express (*) or U.S. Mail this 18th day of October, 2002 to the following:

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