

STEEL ■
HECTOR
& DAVIS
INTERNATIONALSM

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Suite 4000
Miami, FL 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

John T. Butler
305.577.2939
jbutler@steelhector.com

October 6, 2003

-VIA FEDERAL EXPRESS-

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

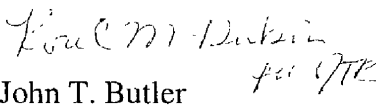
Re: Docket No. 030007-EI

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.

Very truly yours,


John T. Butler

Enclosure
cc: Counsel for Parties of Record (w/encl.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)
Recovery Clause)

DOCKET NO. 030007-EI
FILED: October 7, 2003

**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, 2002 through December, 2002?

FPL: \$205,349 over-recovery. (DUBIN)

2. What are the estimated environmental cost recovery true-up amounts for the period January 2003 through December 2003?

FPL: \$850,933 over-recovery. (DUBIN)

3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2004 through December 2004?

FPL: \$1,056,282 over-recovery. (DUBIN)

4. What are the appropriate projected environmental cost recovery amounts for the period January 2004 through December 2004?

FPL: The total environmental cost recovery amount, adjusted for revenue taxes is \$12,945,763. This amount consists of \$13,798,551 of projected environmental cost for the period January through December 2004, net of the prior periods over-recoveries 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 2004 through December 2004?

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 2004 through December 2004?

FPL: Energy Jurisdictional Factor 98.750007%
CP Demand Jurisdictional Factor 98.84301%

GCP Demand Jurisdictional Factor 100.00000% (DUBIN)

7. What are the appropriate environmental cost recovery factors for the period January 2004 through December 2004 for each rate group?

FPL: Rate Class	Environmental Recovery Factor (\$/kWh)
RS-1	0.00013
GS-1	0.00013
GSD1	0.00012
OS2	0.00015
GSLD1/CS1	0.00012
GSLD2/CS2	0.00012
GSLD3/CS3	0.00011
SST1T	0.00010
SST1D	0.00012
CILC D/CILC G	0.00011
CILC T	0.00010
MET	0.00013
OL1/SL1/PL1	0.00009
SL2	0.00011

(DUBIN)

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 2004 through December 2004. 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 Underground Storage Tank (UST) Replacement/Removal Project?

FPL: Yes. Pursuant to Rule 62-761.500, F.A.C., the Florida Department of Environmental Protection (DEP) requires the removal or replacement of existing Category-A and Category-B storage tank systems with systems meeting the standards for Category-C storage tank systems by December 31, 2009. FPL's proposal represents a cost-effective response to this requirement, on a reasonable timetable that takes into account the hazardous nature of the contents in the tanks as well as the condition of those tanks and their inaccessibility for inspection. (LABAUVE)

10. How should the newly proposed environmental costs for the UST Replacement/Removal Project be allocated to the rate classes?

FPL: Proposed costs for the UST Replacement/Removal Project should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

11. Should FPL be allowed to recover costs associated with the Lowest Quality Water Source (LQWS) Project?

FPL: Yes. This project is required in order to comply with conditions in the consumptive use permits (CUPs) issued for FPL's Sanford and Cape Canaveral plants by the St. Johns River Water Management District. The purpose of those conditions is to preserve Florida's groundwater, an important environmental resource. The project will satisfy these CUP conditions in a cost-effective manner. (LABAUVE)

12. How should the newly proposed environmental costs for the LQWS Project be allocated to the rate classes?

FPL: Proposed costs for the LQWS Project should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

13. Should FPL be allowed to recover costs associated with the Port Everglades Electrostatic Precipitator (ESP) Technology Project?

FPL: Yes. This project is required to comply with visibility and particulate emission requirements imposed in the new title V air permit that has recently been issued by the DEP for the Port Everglades plant. Those permit conditions comply with current air-emission standards, anticipate new National Ambient Air Quality Standards for fine particulate emissions as well as other emerging air-emission requirements, and satisfy concerns about air emissions from the Port Everglades plant that were raised by Broward County and other stakeholders during the DEP's evaluation of the permit. The project will satisfy the Title V permit conditions in a cost-effective manner. (LABAUVE)

14. How should the newly proposed environmental costs for the Port Everglades ESP Technology Project be allocated to the rate classes?

FPL: Proposed costs for the Port Everglades ESP Technology Project should be allocated to the rate classes on an energy basis. (DUBIN)

15. Should FPL be allowed to include the Manatee plant in its approved Wastewater/Stormwater Discharge Elimination and Reuse (WSDER) Project?

FPL: Yes. FPL must meet BMP3 requirements at its Manatee plant as a condition of the NPDES permit for that plant, as is the case for several other plants. FPL did not originally include the Manatee plant in its request for approval of the WSDER Project because it anticipated

addressing wastewater and stormwater management issues through the Orimulsion certification that it was seeking at the time. (LABAUVE)

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
K. M. DUBIN	FPL	ECRC projections for January through December 2004	KMD-3
R.R. LABAUVE	FPL	UST Replacement/Removal Project	RRL-1, RRL-2
		LQWS Project	RRL-3, RRL-4
		Port Everglades Technology Project	ESP RRL-5, RRL-6, RRL-7
K. M. DUBIN	FPL	ECRC Estimated/Actual True-up for January through December 2003	KMD-2
R.R. LABAUVE	FPL	Inclusion of Manatee plant in WSDER Project	
K. M. DUBIN	FPL	ECRC Final True-up for January through December 2002	KMD-1

Respectfully submitted,

R. Wade Litchfield, Esq.
 Senior Attorney
 Florida Power & Light Company
 700 Universe Boulevard
 Juno Beach, Florida 33408-0420
 Telephone: 561-691-7101

Steel Hector & Davis LLP
 Attorneys for Florida Power & Light Company
 200 South Biscayne Boulevard
 Suite 4000
 Miami, Florida 33131-2398
 Telephone: 305-577-2939

By: Damaris Rodriguez for JTB
John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE
Docket No. 030007-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 6th day of October, 2003 to the following:

Marlene K. Stern, Esq. *
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Gunter Building, Room 370
Tallahassee, FL 32399

Robert Vandiver, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399

Ms. Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs and Lane
Attorneys for Gulf Power Corp.
P.O. Box 12950
Pensacola, FL 32576

Ms. Angela Llewellyn
Tampa Electric Company
Regulatory Affairs
P.O. Box 111
Tampa, FL 33601-0111

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Attorneys for TECO
P.O. Box 391
Tallahassee, FL 32302

James A. McGee, Esq.
Progress Energy Florida, Inc.
P. O. Box 14042
St. Petersburg, FL 33733

Vicki Gordon Kaufman, Esq.
Joseph A. McGlothlin, Esq.
McWhirter Reeves
Attorneys for FIPUG
117 South Gadsden Street
Tallahassee, FL 32301

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGothlin,
Davidson, et al.
Attorneys for FIPUG
P. O. Box 3350
Tampa, FL 33601-3350

By: *Damaris Rodriguez for JTB*
John T. Butler