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October 1, 2004

-VIA OVERNIGHT DELIVERY -

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

2004 OCT -4 AM 9:50AM 10:15
RECEIVED FPSC
DISTRIBUTION COMMISSION
CLERK

Re: Docket No. 040001-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 XP, 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
John T. Butler *for JTB*

- CMP _____
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- ECR _____
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Enclosure
~~cc:~~ Counsel for Parties of Record (w/encl.)

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FPSC-COMMISSION CLERK

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 040001-EI
FILED: October 4, 2004

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

FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period January, 2003 through December, 2003?

FPL: \$41,808,676 over-recovery. (DUBIN)

ISSUE 2: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2004 through December 2004?

FPL: \$182,196,299 under-recovery. (DUBIN)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2005 through December, 2005?

FPL: \$140,387,623 under-recovery. (DUBIN)

ISSUE 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2005 through December, 2005?

FPL: 1.01597. (DUBIN)

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included for the period January, 2005 through December, 2005?

FPL: \$3,926,412,793. (DUBIN)

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January, 2005 through December, 2005?

FPL: 4.001 cents/kWh. (DUBIN)

ISSUE 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 8. (DUBIN)

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1,GS-1,SL2	4.001	1.00201	4.009
A-1*	SL-1,OL-1,PL-1	3.949	1.00201	3.957
B	GSD-1	4.001	1.00194	4.008
C	GSLD-1 & CS-1	4.001	1.00097	4.004
D	GSLD-2,CS-2,OS-2 & MET	4.001	.99390	3.976
E	GSLD-3 & CS-3	4.001	.95678	3.828

*WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

TIME OF USE RATES

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RST-1,GST-1 ON-PEAK	4.246	1.00201	4.254
	OFF-PEAK	3.892	1.00201	3.900
B	GSDT-1,CILC-1(G) ON-PEAK	4.246	1.00194	4.254
	OFF-PEAK	3.892	1.00194	3.900
C	GSLDT-1 & CST-1 ON-PEAK	4.246	1.00097	4.250
	OFF-PEAK	3.892	1.00097	3.896
D	GSLDT-2 & CST-2 ON-PEAK	4.246	.99513	4.225
	OFF-PEAK	3.892	.99513	3.873

E	GSLDT-3,CST-3 CILC-1(T)&ISST-1(T)			
	ON-PEAK	4.246	.95678	4.062
	OFF-PEAK	3.892	.95678	3.724
F	CILC-1(D) & ISST-1(D)			
	ON-PEAK	4.246	.99349	4.218
	OFF-PEAK	3.892	.99349	3.867

(DUBIN)

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPL: The Company is requesting that the new Fuel Cost Recovery and Capacity Cost Recovery Factors should become effective with customer bills for January, 2005 through December, 2005. This will provide 12 months of billing on the Fuel Cost Recovery and Capacity Cost Recovery Factors for all customers. (DUBIN)

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2004 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$15,133,577. (DUBIN)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2005 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$13,270,095 subject to adjustments in the 2004 final true-up filing to include all actual data for the year 2004. (DUBIN)

ISSUE 13A: Should the Commission approve contracts between FPL and subsidiaries of the Southern Company for the purchase of power during the period 2010-2015 from Scherer Unit 3, Harris Unit 1 and Franklin Unit 1 (the "Scherer, Harris and Franklin Contracts") for cost recovery through the fuel and purchased power cost recovery clause and the capacity cost recovery clause?

FPL: Yes. The Scherer, Harris and Franklin Contracts represent the most beneficial way for FPL to meet its power supply requirements in the 2010-2015 period. The cost of the contracts is reasonable in comparison to the market alternatives.

The Scherer, Harris and Franklin Contracts replace the energy and 930 MW of total capacity currently being obtained through FPL's Unit Power Sales Agreement with subsidiaries of the Southern Company, which expires on May 31, 2010. The Scherer, Harris and Franklin Contracts are intended to provide a mechanism for FPL and its customers to continue to receive benefits from importing Southern Company power through the end of 2015, benefits that otherwise will end in mid-2010. One of those benefits is positioning FPL to continue its current firm transmission rights within the Southern Company service territory. Other benefits include: (i) a reduction in energy price volatility due to the firm coal component of the contracts; (ii) the ability to purchase low cost base load energy from the Southeastern Electric Reliability Council (SERC) region during off-peak periods; (iii) an increase in FPL's system reliability because the power purchased under the contracts is generated outside Florida and because natural gas for the gas-fired Harris and Franklin units is delivered from a pipeline that is independent of the two that serve FPL's plants; and (iv) the opportunity to broaden the range of generation options that FPL can consider for 2015 and beyond, as opposed to an accelerated commitment to additional natural gas generation in 2010. (HARTMAN)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2003 through December, 2003 for each investor-owned electric utility subject to the GPIF?

FPL: \$6,615,282 reward. (SONNELITTER)

ISSUE 18: What should the GPIF target/ranges be for the period January, 2005 through December, 2005 for each investor-owned electric utility subject to the GPIF?

FPL: The targets and ranges should be as set forth in the Testimony and Exhibits of P. Sonnelitter including the following:

PLANT/UNIT	EAF TARGET (%)	HEAT RATE HR. TARGET (BTU/KWH)
LAUDERDALE 4	92.7	7,515
LAUDERDALE 5	75.5	7,511
MANATEE 1	74.6	10,274
MANATEE 2	96.0	10,248
MARTIN 1	76.0	9,994
MARTIN 2	92.9	9,964
MARTIN 3	92.2	6,977
MARTIN 4	92.5	6,926
SCHERER 4	95.5	10,151
ST. LUCIE 1	77.2	10,846
ST. LUCIE 2	93.6	10,866
TURKEY POINT 3	93.6	11,043
TURKEY POINT 4	75.8	11,078

(SONNELITTER)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What are the appropriate final capacity cost recovery true-up amounts for the period January, 2003 through December, 2003?

FPL: \$7,050,083 under- recovery. (DUBIN)

ISSUE 24: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2004 through December, 2004?

FPL: \$73,892,873 under-recovery. (DUBIN)

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2005 through December, 2005?

FPL: \$80,942,956 under-recovery. (DUBIN)

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2005 through December, 2005?

FPL: \$663,254,010 (DUBIN)

ISSUE 27: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2005 through December, 2005?

FPL: The appropriate jurisdictional separation factors are:

FPSC 98.63289%

FERC 1.36711% (DUBIN)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January, 2005 through December, 2005?

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR (\$/KW)	CAPACITY RECOVERY FACTOR (\$/KWH)
RS1		.00739
GS1		.00671
GSD1	2.66	-
OS2	-	.00501
GSLD1/CS1	2.68	-
GSLD2/CS2	2.62	-
GSLD3/CS3	2.68	-
GSLD/CILC	2.80	-
G		
CILCT	2.76	-
MET	2.77	-
OL1/SL1/PL1	-	.00128
SL2	-	.00485

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.34	.16
SST1T	.32	.15
SST1D	.34	.16

(DUBIN)

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
G. YUPP	FPL	Fuel Cost Recovery Forecast Assumptions	GY-1
K. M. DUBIN	FPL	Levelized Fuel Cost Recovery and Capacity Cost Recovery Final True-up for January, 2003 Through December, 2003	KMD-1 KMD-2
K. M. DUBIN J.R.HARTZOG	FPL	Fuel Cost Recovery and Capacity Cost Recovery Estimated/Actual True-Up January, 2004 through December, 2004	KMD-3 KMD-4
G. YUPP K. M. DUBIN J. R. HARTZOG	FPL FPL FPL	Levelized Fuel Cost Recovery Factors for January, 2005 through December, 2005	KMD-5
T. HARTMAN	FPL	Fuel Cost Recovery	TLH-1 TLH-2 TLH-3 TLH-4 TLH-5 TLH-6
K. M. DUBIN	FPL	Capacity Cost Recovery Factors for January, 2005 through December, 2005	KMD-6
P. SONNELITTER	FPL	GPIF, Performance Results January, 2003 – December, 2003	PS-1
P. SONNELITTER	FPL	GPIF, Incentive Factor Targets & Ranges January, 2005 – December, 2005	PS-2

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CERTIFICATE OF SERVICE

Docket No. 040001-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by Overnight Delivery (*) or United States Mail on the 1st day of October, 2004, to the following:

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