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September 8, 2005

**-VIA HAND DELIVERY-**

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

**Re: Docket No. 050001-EI**

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of the Petition of Florida Power & Light Company for Approval of its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors for the Period January 2006 Through December 2006, Revised Estimated/Actual True-up for the Period January 2005 through December 2006, and Generating Performance Incentive Factor Targets for the Period January 2006 through December 2006, together with a diskette containing the electronic version of same.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of Florida Power & Light Company witnesses K. M. Dubin, J. R. Hartzog, P. Sonnelitter and G. Yupp.

Schedules E/A12 and E12 sponsored by Mr. Yupp contain information on short term capacity payments that is confidential. Accordingly, I am enclosing for filing the original and seven (7) copies of Florida Power & Light Company's Request for Confidential Classification of Short Term Capacity Payment Information, together with a diskette containing the electronic version of same. Pursuant to Rule 25-22.006, F.A.C., I am also enclosing with the Request one highlighted and two redacted copies of Schedules E/A12 and E12.

DOCUMENT NUMBER-DATE

08551 SEP-9 03

FPSC-COMMISSION CLERK

Blanca S. Bayó  
September 8, 2005  
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The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the document appears is Word 2000. If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Sincerely,

*Kevin M. Dubin for JTB*

John T. Butler

Enclosures

cc: Counsel for parties of record (w/encl.)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Fuel and Purchase Power Cost	)	Docket No. 050001-EI
Recovery Clause and Generating	)	
Performance Incentive Factor.	)	Filed: September 9, 2005

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**PETITION OF FLORIDA POWER & LIGHT COMPANY FOR APPROVAL OF ITS  
LEVELIZED FUEL COST RECOVERY FACTORS AND CAPACITY COST  
RECOVERY FACTORS FOR JANUARY THROUGH DECEMBER 2006, REVISED  
FUEL COST RECOVERY ESTIMATED/ACTUAL TRUE-UP FOR THE PERIOD  
JANUARY 2005 THROUGH DECEMBER 2005, AND GPIF TARGETS FOR THE  
PERIOD JANUARY 2006 THROUGH DECEMBER 2006**

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 5.869 cents per kWh as its levelized Fuel and Purchased Power Cost Recovery ("FCR") charge for non-time differentiated rates and 6.257 cents per kWh and 5.698 cents per kWh as its revised levelized fuel recovery charges for the on-peak and off-peak periods, respectively, as its time differentiated rates for the January 2006 through December 2006 billing period, and to approve an inverted fuel charge for the residential rate class. FPL also petitions the Commission to approve the capacity cost recovery ("CCR") factors submitted as Attachment I to this Petition for the January 2006 through December 2006 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 petitions the Commission for approval of its revised estimated/actual FCR true-up of \$761,656,548 under-recovery and approval to spread recovery of said amount over two years. Finally, FPL also petitions this Commission to approve

the proposed Generation Performance Incentive Factor (GPIF) Targets for the period January 2006 through December 2006 of 86.9 % for the weighted system average equivalent availability and 8,469 Btu/kWh for the average net operating heat rate. In support of this Petition, FPL states as follows:

1. The calculations of fuel costs for the period January 2006 through December 2006 are contained in Commission Schedules E1-E10 and H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive), which are attached as Appendix II to the testimony of FPL witness K.M. Dubin filed in this docket and are incorporated herein by reference.

2. FPL submits the capacity cost recovery factors for the period January 2006 through December 2006, which are included as Attachment I to this Petition.

3. The residential bill for 1,000 kWh for the period January 2006 through December 2006 is \$105.45 and includes a base rate charge of \$38.12, a storm restoration surcharge of \$1.68, a fuel recovery charge of \$55.30, a capacity cost recovery charge of \$6.03, a conservation charge of \$1.42, an environmental cost recovery charge of \$0.26, and Gross Receipts Tax of \$2.64.

4. The revised estimated/actual \$761,656,548 FCR under-recovery for the period January 2005 through December 2005 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order 10093, dated June 19, 1981. This estimated/actual FCR under-recovery has been revised from that filed on August 9, 2005 to reflect the impact of Hurricane Katrina on fuel prices. It is based on actual data for the period January through July 2005 and revised estimated data for the period August through December 2005. The supporting documentation is contained in the prepared testimony and exhibit of Ms. Dubin, which is being filed together with the Petition and incorporated herein.

5. FPL's total under-recovery is \$769,363,690. This consists of the \$761,656,548 revised estimated/actual under-recovery for 2005 plus the final under-recovery of \$7,707,142 for the period ending December 2004 filed on March 1, 2005. This total under-recovery of \$769,363,690 would normally be carried forward and included in the fuel factor for January through December 2006.

6. In order to mitigate the impact of this under-recovery on customer bills, FPL proposes to spread this under-recovery of \$769,363,690 over a two-year period. FPL proposes to include one-half of the total under-recovery of \$769,363,690 or \$384,681,845 in the calculation of the twelve-month levelized FCR factor for the January 2006 through December 2006 period. The remainder of the true-up under-recovery will be included for recovery in the levelized FCR factor for the January 2007 through December 2007 period.

7. The GPIF targets for the period January 2006 through December 2006 are calculated in accordance with the methodology contained in the Generating Performance Incentive Factor Implementation Manual adopted by Order No. 10168 in Docket No. 810001-EU, as revised by Order No. 10912 in Docket No. 820001-EU. The GPIF targets are presented in the testimony and exhibit of FPL witness P. Sonnelitter filed in this docket and incorporated herein by reference.

8. As part of its projected 2006 FCR charges, FPL is requesting that the Commission approve the recovery of the \$30 million estimated cost of the St. Lucie Unit 2 steam generator sleeving project. The details of this project and the basis for recovery of its cost through the FCR charges are described in the testimony of FPL witnesses J. Hartzog and K. Dubin in this docket and incorporated herein by reference.

9. FPL also requests approval as part of its projected 2006 FCR charges to flow back \$6,845,200 to FPL's customers for the settlement with the United States Department of Energy

("DOE") regarding High Assay Costs, net of \$403,017 in litigation expenses. The details of this settlement are described in the testimony of FPL witness J. Hartzog and K. Dubin in this docket and incorporated herein by reference.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and capacity cost recovery charges including an inverted fuel charge for the residential rate class for the period January 2006 through December 2006 requested herein for the 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; to approve the \$761,656,548 revised under-recovery as the estimated/actual FCR true-up amount for the period January 2005 through December 2005; to approve inclusion of one-half of this amount, or \$384,681,845, in the calculation of the twelve-month levelized FCR factor for the January 2006 through December 2006 period, with the remainder to be included for recovery in the levelized FCR factor for the January 2007 through December 2007; and to approve the GPIF Targets for the period January 2006 through December 2006 requested herein.

Respectfully submitted,

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By: John T. Butler JTB  
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Fla. Bar No. 283479

**CERTIFICATE OF SERVICE**  
**Docket No. 050001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by hand delivery (\*) or United States Mail this 9<sup>th</sup> day of September, 2005, to the following:

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By: Kouel M. Deiki for JTB  
John T. Butler



FLORIDA POWER & LIGHT COMPANY  
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR  
 JANUARY 2006 THROUGH DECEMBER 2006

Rate Schedule	(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/RST1	53.01343%	57.80473%	\$24,025,763	\$314,366,201	\$338,391,964	56,154,546,406	-	-	-	0.00603
GS1/GST1	5.95040%	6.14592%	\$2,696,728	\$33,424,101	\$36,120,829	6,302,963,545	-	-	-	0.00573
GSD1/GSDT1/HLTF(21-499 kW)	22.90286%	21.45790%	\$10,379,610	\$116,697,008	\$127,076,618	24,261,580,778	50.71007%	54,571,326	2.33	-
OS2	0.01998%	0.01784%	\$9,054	\$97,016	\$106,070	21,673,112	-	-	-	0.00489
GSLD1/GSLDT1/CS1/CST1/HLTF(500-1,999 kW)	10.53771%	9.04388%	\$4,775,705	\$49,184,408	\$53,960,113	11,173,396,179	64.34642%	23,786,906	2.27	-
GSLD2/GSLDT2/CS2/CST2/HLTF(2,000+ kW)	1.76146%	1.42991%	\$798,295	\$7,776,434	\$8,574,729	1,878,264,232	65.76459%	3,912,386	2.19	-
GSLD3/GSLDT3/CS3/CST3	0.20128%	0.14792%	\$91,219	\$804,450	\$895,669	222,929,191	71.58393%	426,608	2.10	-
ISST1D	0.00000%	0.00000%	\$0	\$0	\$0	0	0.00000%	0	**	-
ISST1T	0.00000%	0.00000%	\$0	\$0	\$0	0	0.00000%	0	**	-
SST1T	0.09796%	0.04160%	\$44,398	\$226,244	\$270,642	108,503,253	12.54678%	1,184,643	**	-
SST1D1/SST1D2/SST1D3	0.02492%	0.01821%	\$11,296	\$99,047	\$110,343	26,525,298	60.90224%	59,663	**	-
CILC D/CILC G	3.37579%	2.58241%	\$1,529,912	\$14,044,235	\$15,574,147	3,603,481,527	75.45559%	6,541,962	2.38	-
CILC T	1.41805%	1.03222%	\$642,661	\$5,613,619	\$6,256,280	1,570,596,934	77.98620%	2,758,825	2.27	-
MET	0.09198%	0.09371%	\$41,684	\$509,630	\$551,314	99,779,318	58.20329%	234,839	2.35	-
OL1/SL1/PL1	0.54065%	0.13934%	\$245,021	\$757,814	\$1,002,835	572,679,081	-	-	-	0.00175
SL2, GSCU1	0.06353%	0.04440%	\$28,794	\$241,480	\$270,274	67,298,145	-	-	-	0.00402
<b>TOTAL</b>			<b>\$45,320,140</b>	<b>\$543,841,688</b>	<b>\$589,161,828</b>	<b>106,064,217,000</b>		<b>93,477,158</b>		

Note: There are currently no customers taking service on Schedules ISST1(D) and ISST1(T). Should any customer begin taking service on these schedules during the period, they will be billed using the applicable SST1 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 2006 through December 2006
- (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

Demand =	(Total col 5)/(Doc 2, Total col 7)/(10) (Doc 2, col 4)	
Charge (RDD)	12 months	
Sum of Daily		
Demand =	(Total col 5)/(Doc 2, Total col 7)/(21 onpeak days) (Doc 2, col 4)	
Charge (DDC)	12 months	
<b>CAPACITY RECOVERY FACTOR</b>		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1D	\$0.29	\$0.14
ISST1T	\$0.27	\$0.13
SST1T	\$0.27	\$0.13
SST1D1/SST1D2/SST	\$0.28	\$0.13