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~~ORIGINAL~~

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 Subject: Electronic Filing for Docket No. 060001-EI -- FPL's list of issues and positions  
 Attachments: Preliminary List of Issues and Positions (FPL - DKT 060001).doc



Preliminary  
 List of Issues and  
 Positions  
 Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 060001-EI

c. Document is being filed on behalf of Florida Power & Light Company.

d. There is a total of 12 pages.

e. The document attached for electronic filing is Florida Power & Light Company's List of Issues and Positions.

(See attached file: Preliminary List of Issues and Positions (FPL - DKT 060001).doc)

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC 1
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

08800 SEP 22 06

FPSC-COMMISSION OF ENVIRONMENTAL PROTECTION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 060001-EI  
FILED: September 22, 2006

**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, 2005 through December, 2005?

**FPL:** \$307,437,600 under-recovery. (DUBIN)

**ISSUE 2:** What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2006 through December 2006?

**FPL:** \$230,603,338 over-recovery. (DUBIN)

**ISSUE 3:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2007 through December, 2007?

**FPL:** \$76,834,262 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, 2007 through December, 2007?

**FPL:** 1.00072. (DUBIN)

**ISSUE 5:** What are the appropriate projected net fuel and purchased power cost recovery amounts to be included for the period January, 2007 through December, 2007?

**FPL:** \$6,379,479,000. (DUBIN)

**ISSUE 6:** What are the appropriate levelized fuel cost recovery factors for the period January, 2007 through December, 2007?

**FPL:** 6.071 cents/kWh for January through April 2006 and 5.946 cents/ kWh for May through December 2006. (DUBIN)

DOCUMENT NUMBER-DATE

08800 SEP 22 06

FPSC-COMMISSION CLERK

**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:**

JANUARY 2007 - APRIL 2007

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh	6.071	1.00194	5.729
	all additional kWh	6.071	1.00194	6.729
A	GS-1, SL-2, GSCU-1	6.071	1.00194	6.083
A-1*	SL-1, OL-1, PL-1	5.923	1.00194	5.934
B	GSD-1	6.071	1.00187	6.083
C	GSLD-1 & CS-1	6.071	1.00077	6.076
D	GSLD-2, CS-2, OS-2 & MET	6.071	0.99464	6.039
E	GSLD-3 & CS-3	6.071	0.95644	5.807
A	RST-1, GST-1 ON-PEAK	6.757	1.00194	6.770
	OFF-PEAK	5.764	1.00194	5.775
B	GSDT-1, CILC-1(G), ON-PEAK	6.757	1.00187	6.770
	HLFT (21-499 kW) OFF-PEAK	5.764	1.00187	5.775
C	GSLDT-1, CST-1, ON-PEAK	6.757	1.00077	6.762
	HLFT (500-1,999 kW) OFF-PEAK	5.764	1.00077	5.768
D	GSLDT-2, CST-2, ON-PEAK	6.757	0.99571	6.728
	HLFT (2,000+) OFF-PEAK	5.764	0.99571	5.739
E	GSLDT-3, CST-3, ON-PEAK	6.757	0.95644	6.463
	CILC -1(T) OFF-PEAK & ISST-1(T)	5.764	0.95644	5.513
F	CILC -1(D) & ON-PEAK	6.757	0.99298	6.710
	ISST-1(D) OFF-PEAK	5.764	0.99298	5.724

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

MAY 2007 - DECEMBER 2007

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh all additional kWh	5.946 5.946	1.00194 1.00194	5.604 6.604
A	GS-1, SL-2, GSCU-1	5.946	1.00194	5.958
A-1*	SL-1, OL-1, PL-1	5.798	1.00194	5.809
B	GSD-1	5.946	1.00187	5.957
C	GSLD-1 & CS-1	5.946	1.00077	5.951
D	GSLD-2, CS-2, OS-2 & MET	5.946	0.99464	5.914
E	GSLD-3 & CS-3	5.946	0.95644	5.687
A	RST-1, GST-1 ON-PEAK OFF-PEAK	6.632 5.639	1.00194 1.00194	6.645 5.650
B	GSDT-1, CILC-1(G), ON-PEAK HLFT (21-499 kW) OFF-PEAK	6.632 5.639	1.00187 1.00187	6.645 5.649
C	GSLDT-1, CST-1, ON-PEAK HLFT (500-1,999 kW) OFF-PEAK	6.632 5.639	1.00077 1.00077	6.637 5.643
D	GSLDT-2, CST-2, ON-PEAK HLFT (2,000+) OFF-PEAK	6.632 5.639	0.99571 0.99571	6.604 5.615
E	GSLDT-3, CST-3, ON-PEAK CILC -1(T) OFF-PEAK & ISST-1(T)	6.632 5.639	0.95644 0.95644	6.343 5.393
F	CILC -1(D) & ON-PEAK ISST-1(D) OFF-PEAK	6.632 5.639	0.99298 0.99298	6.586 5.599

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

FLORIDA POWER & LIGHT COMPANY

DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR)  
FUEL RECOVERY FACTORS

ON PEAK: JUNE 2007 THROUGH SEPTEMBER 2007 - WEEKDAYS 3:00 PM TO 6:00 PM  
OFF PEAK: ALL OTHER HOURS

(1) GROUP	(2) OTHERWISE APPLICABLE RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) SDTR FUEL RECOVERY FACTOR
B	GSD(T)-1 ON-PEAK	6.515	1.00187	6.527
	OFF-PEAK	5.765	1.00187	5.776
C	GSLD(T)-1 ON-PEAK	6.515	1.00077	6.520
	OFF-PEAK	5.765	1.00077	5.770
D	GSLD(T)-2 ON-PEAK	6.515	0.99571	6.487
	OFF-PEAK	5.765	0.99571	5.740

Note: All other months served under the otherwise applicable rate schedule.

(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 factors for January through April and May through December become effective during these periods which will provide four months of billing on the January through March factor and eight months of billing on the May through December factor. This will provide for 12 months of billing on the new Fuel Cost Recovery factors for all our customers. FPL is requesting that the Capacity Cost Recovery factors become effective with customer bills for January 2007 through December 2007. This will provide for 12 months of billing on the Capacity Cost Recovery factors for all our customers. (DUBIN)

**ISSUE 10:** What are the appropriate actual benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**FPL:** \$19,136,028. (DUBIN)

**ISSUE 11:** What are the appropriate estimated benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**FPL:** \$19,849,221 subject to adjustments in the 2006 final true-up filing to include all actual data for the year 2006. (DUBIN)

**ISSUE 13A:** Should the Commission approve FPL's proposal to levelize the Residential 1,000 kWh Bill by offsetting the Generation Base Rate Adjustment (GBRA) for Turkey Point Unit 5 with the fuel savings attributable to this new unit?

**FPL:** Yes. FPL's proposal to levelize the Residential 1,000 kWh bill by offsetting the Generation Base Rate Adjustment (GBRA) as approved in Docket No. 050045-EI for Turkey Point Unit 5 with the fuel savings attributable to this new unit will provide all customer classes with a more stable bill in 2007. The fuel savings attributable to Turkey Point Unit 5 are \$96,464,000 in 2007. Without levelization, FPL's customers' bills are projected to decrease in January 2007 as result of lower charges for fuel and capacity. Then, in May 2007, when Turkey Point Unit 5 begins commercial operations, the GBRA will become effective, which thereby would increase customer bills. FPL's proposal will still provide a decrease in customers' bills in January while eliminating the increase in May and will provide all customer classes with a more stable bill in 2007. (DUBIN)

**ISSUE 13B:** Should the Commission approve FPL's proposal to recover the costs for the Southeast Supply Header Pipeline Project (SESH) through the Fuel Cost Recovery Clause?

**FPL:** Yes. The SESH Pipeline Project will allow FPL access to growing production from natural gas basins in East Texas and North Louisiana, which will provide an important on-shore alternate natural gas supply source. It will be a valuable addition to FPL's gas-transportation alternatives because it will provide FPL access to on-shore supply, significantly increasing supply reliability and diversity and potentially supporting customer savings. The costs FPL will incur for the SESH Pipeline Project are all gas transportation costs that are recoverable through the Fuel Cost Recovery Clause pursuant to Commission Order No. 14546, Docket No. 850001-EI-B, dated July 8, 1985 (lists transportation costs among the types of fuel-related costs that may be recovered through the Fuel Cost Recovery Clause). (YUPP/DUBIN)

#### **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, 2005 through December, 2005 for each investor-owned electric utility subject to the GPIF?

**FPL:** \$8,478,098 reward. (SONNELITTER)

**ISSUE 18:** What should the GPIF target/ranges be for the period January, 2007 through December, 2007 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)
Ft. MYERS 2	78.9	6,814
LAUDERDALE 4	82.6	7,650
LAUDERDALE 5	92.2	7,548
MANATEE 1	86.6	10,220
MARTIN 1	94.6	10,027
MARTIN 4	94.0	6,926
SANFORD 4	90.2	6,878
SANFORD 5	91.3	6,844
SCHERER 4	96.0	10,136
ST. LUCIE 1	84.0	10,961
ST. LUCIE 2	70.3	11,002
TURKEY POINT 3	84.2	11,112
TURKEY POINT 4	90.7	11,120

(SONNELITTER)

### CAPACITY COST RECOVERY FACTOR ISSUES

**ISSUE 23:** What are the appropriate final capacity cost recovery true-up amounts for the period January, 2005 through December, 2005?

**FPL:** \$3,305,688 over- recovery. (DUBIN)

**ISSUE 24:** What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2006 through December, 2006?

**FPL:** \$18,215,446 under-recovery. (DUBIN)

**ISSUE 25:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2007 through December, 2007?

**FPL:** \$14,909,758 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, 2007 through December, 2007?

**FPL:** \$591,052,906. (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, 2007 through December, 2007?

**FPL:** The appropriate jurisdictional separation factors are:  
 FPSC 98.68536%  
 FERC 1.31464% (DUBIN)

**ISSUE 28:** What are the appropriate capacity cost recovery factors for the period January, 2007 through December, 2007?

**FPL:**

Rate Schedule	Capacity Recovery Factor (\$/kw)	Capacity Recovery Factor (\$/kwh)
RS1/RST1	-	0.00557
GS1/GST1	-	0.00521
GSD1/GSDT1/HLTF(21-499 kW)	1.58	-
OS2	-	0.00330
GSLD1/GSLDT1/CS1/CST1/HLTF(500-1,999 kW)	1.96	-
GSLD2/GSLDT2/CS2/CST2/HLTF(2,000+ kW)	1.91	-
GSLD3/GSLDT3/CS3/CST3	1.90	-
CILC D/CILC G	2.09	-
CILC T	2.01	-
MET	2.00	-
OL1/SL1/PL1	-	0.00085
SL2, GSCU1	-	0.00360

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.25	.12
ISST1T	.24	.11
SST1T	.24	.11
SST1D1/SST1D2/SST1D3	.25	.12

(DUBIN)



**ISSUE 30A:** Should the Commission approve FPL's proposal to recover the projected security costs associated with the recently issued North American Reliability Council (NERC) Cyber Security Standards through the Capacity Cost Recovery Clause?

**FPL:** Yes. FPL is seeking recovery of \$2,796,363 for security costs related to recently issued NERC Cyber Security Standards CIP-002-1 through CIP-009-1 (Cyber Security Standards). NERC was recently certified by the Federal Regulatory Energy Commission (FERC) as the nation's Electric Reliability Organization (ERO), pursuant to the Energy Policy Act of 2005. As such, NERC is responsible for developing and enforcing mandatory electric reliability standards which will apply to all users, owners and operators of the bulk power system. The NERC Cyber Security Standards were approved by the NERC Board on May 3, 2006 and became effective June 1, 2006 to address cyber security concerns as a result of the September 11, 2001 terrorist attacks. FPL is seeking recovery only of the costs of complying with the Cyber Security Standards at its power plants; it has specifically excluded from its request the compliance costs associated with the transmission and other non-power plant parts of its system. None of the costs FPL seeks to recover are presently recovered through base rates. They are clearly related to governmentally-imposed post-9/11 security requirements and hence are properly recoverable through the Capacity Cost Recovery Clause. (DUBIN)

**ISSUE 30B:** Has FPL correctly calculated the GBRA as 3.271%?

**FPL:** Yes. Paragraph 17 of the Stipulation and Settlement Agreement approved the Commission in its Order No. PSC-05-0902-S-EI (the "Settlement Agreement") provides that a "GBRA shall be implemented upon commercial operation of Turkey Point Unit 5 . . . by increasing base rates by the estimated annual revenue requirement exclusive of fuel of the costs upon which the [cumulative present value revenue requirements] CPVRR for Turkey Point Unit 5 were predicated, and pursuant to which a need determination was granted by the FPSC, such adjustment to be reflected on FPL's customers bills by increasing base charges, and non-clause recoverable credits, by an equal percentage." As shown in the affidavits of Drs. Steven R. Sim and Rosemary Morley that FPL filed in this docket on September 1, 2006 as part of its projection filing, the jurisdictional annualized 2007 revenue requirement for Turkey Point Unit 5 is \$126.80 million. When this is divided by the total retail base rate revenues projected for 2007 of \$3,876.80 million, the resulting percentage is 3.271%, which will be applied as an equal percentage to base charges and non-clause recoverable credits.

Consistent with the Settlement Agreement, FPL will begin applying the GBRA to meter readings made on or after the commercial in service date

of Turkey Point Unit 5, which is expected to occur in May 2007. FPL will submit for the FPSC staff's administrative approval revised tariff sheets reflecting these new charges prior to the actual commercial in service date.

**WITNESSES AND SUBJECT MATTER**

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
G. YUPP	FPL	2005 Hedging Activity	GJY-1
G. YUPP	FPL	Fuel Cost Recovery Forecast Assumptions	GJY-2
G. YUPP	FPL	Total Annual Costs SESH Pipeline Project	GJY-5
G. YUPP	FPL	SESH Pipeline Agreement	GJY-6
G. YUPP	FPL	Fuel Cost Recovery Forecast Assumptions	GJY-7
K. M. DUBIN	FPL	Levelized Fuel Cost Recovery and Capacity Cost Recovery Final True-up for January, 2005 Through December, 2005	KMD-1 KMD-2
K. M. DUBIN	FPL	Fuel Cost Recovery and Capacity Cost Recovery Estimated/Actual True-Up January, 2006 through December, 2006	KMD-3 KMD-4
G. YUPP K. M. DUBIN W.E. GWINN	FPL FPL FPL	APEDNIDIX II Levelized Fuel Cost Recovery Factors for January, 2007 through December, 2007	KMD-5
K. M. DUBIN	FPL	Capacity Cost Recovery Factors for January, 2007 through December, 2007	KMD-6
K. M. DUBIN	FPL	Fuel Cost Recovery Non-Levelized Bill	KMD-7

P. SONNELITTER	FPL	GPIF, Performance Results January, 2005 – December, 2005	PS-1
P. SONNELITTER	FPL	GPIF Charts	PS-2
P. SONNELITTER	FPL	GPIF, Incentive Factor Targets & Ranges January, 2007 – December, 2007	PS-3

Respectfully submitted this 22nd day of September, 2006.

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By:           /s/ John T. Butler            
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**CERTIFICATE OF SERVICE**  
**Docket No. 060001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic delivery on the 22nd day of September, 2006, to the following:

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